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Correspondence on editorial matters should be addressed to the Editor, *The World Today*, The Royal Institute of International Affairs, Chatham House, 10 St James's Square, S.W.1.

The World Today, with this issue, puts on a new cover and a new format, which it is hoped will appeal to our readers. Our well-established policy of providing a variety of authoritative articles on current international events and on the political and economic situation in different countries will be continued.

An increase in price has unfortunately been overdue for some time; the price was last increased in July 1956. We feel sure that our regular readership recognizes the value of this journal. We hope that they will also seek to increase its circulation, since *The World Today* meets in a unique way the needs of all who wish to be reliably informed on world affairs.

Notes of the month

Northern Rhodesian advance?

WITH laborious efforts Northern Rhodesia has in part satisfied one of the recommendations of the Monckton Commission. An African Government has been formed, though it rests on an apparently shaky alliance. This is not the result of inter-racial electoral co-operation, as Mr Macleod, the Colonial Secretary responsible for the Constitution, had hoped.[1] Nor is it the product of a liberal Constitution designed to produce representative government, as the majority of the Monckton Commission had proposed. That Northern Rhodesia has an elected Government at all—however temporarily—is the result of a series of unhappy electoral marriages, most of which have ended in divorce, together with a last-minute agreement between the two rival African parties.

The governing alliance consists of the fourteen members of Mr Kenneth Kaunda's United National Independence Party (UNIP) and seven successful candidates of the African National Congress (ANC) led by Mr Harry Nkumbula. The two parties have agreed on the allocation of three portfolios for each in the new Government, with Mr Kaunda as Minister of Local Government and Social Welfare and Mr Nkumbula as Minister of African Education. Two European members of the ANC, Mr Charles Cousins and Mr Frank Stubbs, have become respectively Minister for Land and Natural Resources and Minister of Transport and Works. The sixteen United Federal Party (UFP) members make up the Opposition.

[1] See 'Problems and Prospects in the Central African Federation', in *The World Today*, August 1961.

Thus Mr Macleod's attempt to produce voting across the racial line has substantially failed. Nearly 80 per cent of Africans voted for UNIP, and almost all the rest for the ANC. Europeans voted almost solidly for the UFP. Of the fourteen 'national' seats in which successful candidates were required to win 10 per cent of the votes of both races, only six were filled. And these were the result of an electoral pact between the ANC and the UFP, which has since broken down. Thus the only effective electoral co-operation between an African and a European party has not been carried over into government.

It would be easy to conclude that multiracial co-operation is impossible in Northern Rhodesia, and by implication that black racialism will succeed white racialism. But further analysis will reveal this to be too gloomy a prognostication. The true conclusion would be that there can be no political co-operation between the races as long as the vast majority of the Africans are opposed to the Federation and favour a rapid extension of the franchise, while the vast majority of Europeans favour the continuation of federation and a restricted franchise. These are essentially political, not racial, issues; but there was never any real chance of compromise between the races on these issues. Thus Mr Macleod's calculations for inter-racial voting in the elections were dependent upon either conversion of Europeans to an anti-Federation and pro-extended franchise position or conversion of Africans to the Federation and a restricted franchise. Neither of these was ever really on the cards. Even the limited electoral pact between the ANC and the UFP, which was essentially an anti-UNIP arrangement, allowed each to campaign on diametrically opposed platforms on these issues. It is hardly surprising that the alliance came unstuck after the elections, for these are the crucial political questions facing the new Government.

The ubiquitous problem of the Congo entered the Northern Rhodesian story in the last six months and succeeded in complicating an already difficult situation. Before the Congo's independence there had been friendly relations between UNIP and the CONAKAT party of Mr Tshombe of Katanga, because both parties drew much of their strength from the Lunda tribe which crosses the frontier. But after Katanga's attempted secession from the Congo, UNIP withdrew its friendship in line with the main stream of African opposition to Mr Tshombe's stand. By the time campaigning started for the Northern Rhodesian elections, it had become apparent that UNIP enjoyed the support of the majority of the African population. By then, too, Mr Tshombe had established reasonably good relations with Sir Roy Welensky, Prime Minister of the Federation and leader of the UFP. The UFP in turn had begun its approaches to the ANC—as the 'moderate' alternative to UNIP—for the sake of the African support it needed to win the national seats. There arose therefore a community of interest, in the form of opposition to UNIP, between Mr

Tshombe, the ANC, and the UFP. It is no secret that part, at least, of the ANC's funds came from or through Katanga. For his part, Mr Nkumbula became converted to Mr Tshombe's point of view on Katanga's relations with the rest of the Congo, declaring that he might be favourably disposed to political association between Katanga and Northern Rhodesia, or, failing that, Katanga's participation in a loose confederation of the Congo.

The results of the elections at the end of October put Mr Nkumbula in a strong position. UNIP held fourteen seats, the UFP fifteen, and the ANC five. Ten of the national seats remained unfilled, and most were likely to remain so. Certainly neither the UNIP nor the UFP expected the by-elections in December to yield them an absolute majority. As it turned out, the ANC won another two seats and the UFP a safe upper roll seat, the by-election for which had been caused by the death of a candidate. The ANC's balancing position was thus strengthened. Nevertheless, Mr Nkumbula was in a dilemma. A governing alliance with the UFP would have meant making some concessions on the Federation issue and the franchise, and would therefore probably threaten his African support in the long term. On the other hand the basis of his electoral alliances had been anti-UNIP.

On balance, however, the advantages seemed to lie in striking as good a bargain as possible with UNIP. But this meant jettisoning UFP support for the ANC. It was important, therefore, to retain the support, or at least the agreement, of Mr Tshombe, whose apprehension had been increased by solid support for UNIP among the Northern Rhodesian Lundas. At Mr Nkumbula's request, therefore, Mr Kaunda agreed to meet Mr Tshombe. The object of the meeting was to reassure him that any future UNIP/ANC Government would not allow itself to be used to attack the Katanga Government. While giving him this assurance, Mr Kaunda repeated his party's stand on unification of the Congo, and offered his good offices to that end. About the same time, Mr Tshombe also requested membership for his CONAKAT party in the Pan-African Freedom Movement for East, Central, and South Africa (PAFMECSA). As Chairman of PAFMECSA, Mr Kaunda explained that this would be impossible, since the constitution of the organization did not allow separate membership of a political party where a Government was already a member. Since the Congo central Government is a member, CONAKAT was not eligible.

The ANC's alliance with UNIP was finally agreed, perhaps partly because of these hardly effusive assurances to Mr Tshombe, but probably mainly because the alternatives for the ANC were worse. Neither party envisages a long period in office: both are determined to press for a new Constitution and new elections as soon as possible.

Finally, the demise of the Liberal Party deserves comment. In essence,

the mistake of Sir John Moffat was the same miscalculation which misled Mr Macleod. He and his supporters believed it would be possible to establish a transitional compromise multi-racial government before the advent of African government. Had the Liberal Party arranged a formal electoral alliance with UNIP, with which it was most in sympathy, it is just conceivable that they might have won a few of the national seats. But once the decision was taken to compete directly for votes with UNIP, the objective was undermined, and the Liberal Party ignominiously defeated. By disbanding the party before the by-elections, the Liberal leaders drew the conclusion, too late, that the only effective role for white liberals in the transition between European and African rule is to ally themselves with the forces of nationalism with which they are in sympathy.

MARGARET ROBERTS

The problem of Kashmir

WHEN India and Pakistan gained their independence paramountcy over the former princely states was not transferred to them; instead the rights of paramountcy were abandoned and the princely states were left to make such arrangements for their future as they could. Most of them acceded to India or, in a few cases, Pakistan, and vanished from the international scene. Hyderabad, a great state entirely surrounded by Indian territory, tried to remain independent but was annexed by force to India. Junagadh, a small state on the coast between Bombay and the West Pakistan frontier, acceded to Pakistan but was incorporated by force into India. Both had Muslim rulers and a primarily Hindu populace.

Jammu and Kashmir was a state bordering on both India and West Pakistan, with a Hindu ruler and a primarily Muslim population. The trade and communications of the core of the state, the Vale of Kashmir, ran largely with the state's rivers into Pakistan. The Maharajah, whose rule was thought by his Muslim subjects to be oppressive, can have seen little future for his house if his state was completely incorporated in a Muslim State and wished to retain a degree of independence from both India and Pakistan. On 14 August 1947 he signed a stand-still agreement with Pakistan, who was to run some of the state's services. But communal rioting spread to the state from the Punjab, his Muslim subjects demonstrated against him, and Muslim tribesmen from the North-West Frontier Province, now part of Pakistan, fired by prospects of a holy war and loot, came to their assistance. The Maharajah turned to India for help, India declined to help unless he acceded, and on 26 October 1947 he sent India a letter of accession. Thereafter Indian troops took over from the Maharajah's forces, Pakistan troops eventually came to the aid of Azad (Free) Kashmir and a limited war between the two countries ensued. On 1 January 1948, India took the issue to the Security Council of the United Nations. A U.N. Commission was set up and a cease-fire,

as from 1 January 1949, was organized. This left the northern and western parts of the state in Pakistani hands and the eastern and southern parts, together with the Vale and Srinagar, the capital, in Indian hands.

In replying to the Maharajah's letter of accession, India had spoken of accession being 'settled by a reference to the people' when the invader had been cleared from the state. The Security Council took up this point and passed resolutions on 13 August 1948 and 5 January 1949, accepted by both India and Pakistan, providing for the phased withdrawal of all Pakistani and most Indian troops, after which the future status of Kashmir was to be decided by a free and impartial plebiscite.

India, however, being in possession of the bulk of the state, effectively delayed implementation of these resolutions, while with the help of the ruling party, the Kashmir National Conference, and substantial subventions she tried to secure the allegiance of the Muslim majority of the state by promises of land reform and so on. She was not notably successful in this and on 9 August 1953 the leader of the National Conference, Sheikh Abdullah, who had begun to express doubts of the wisdom of accession to India, was arrested and replaced by a more reliable supporter of accession, Bakshi Ghulam Mohammed. Bakshi, whose rule has been characterized by methods more vigorous than democratic, has increasingly integrated the state with India. Sheikh Abdullah, after being released briefly at the beginning of 1958, was rearrested and in October 1958 charged with conspiracy to overthrow the Government with a view to the annexation of Kashmir by Pakistan. His trial is still dragging on.

The Security Council took the issue up again in 1957 and 1958 but India made it clear that she would reject any discussion not based on recognition of Pakistan as an aggressor and on the validity of Kashmir's accession to India. Again last year the Security Council considered an Irish resolution recalling its earlier proposal for a plebiscite and urging talks between India and Pakistan. This was vetoed by the Soviet Union on 22 June against seven affirmative votes.

Throughout, India has argued not only on the narrow and legalistic point of accession but more cogently that surrender of the Vale, about which the dispute revolves, to Pakistan might revive the communal antagonism which resulted in such terrible loss of life at partition. On the whole, her viewpoint has not been widely supported—on 22 June only Rumania voted with the U.S.S.R. against a resolution which India greatly disliked. For Pakistan the Kashmir problem has become an obsession, bound up not only with issues such as control of the sources of irrigation water for West Pakistan but with the whole question of Indian acceptance of Pakistan's existence. Both countries have concentrated the training of their armies and their defence planning on a hypothetical struggle for Kashmir which would be resolved not in Kashmir itself but on the plains of the Punjab.

The recent Chinese assault on India, the bone of contention here ironically being a section of the Ladakh area of eastern Kashmir, has forced India to reassess her priorities and, for the moment at least, to try to relieve herself of the necessity of devoting the main part of her army to the Pakistan border. On 29 November 1962 Mr Nehru and President Ayub agreed to 'start discussions at an early date with the object of reaching an honourable and equitable settlement' on 'Kashmir and other related matters', and on 1 December Mr Nehru stated that there would be no pre-conditions or restrictions on these talks.

It remains to be seen whether even now there can be any point of contact between the positions of the two countries. President Ayub has made it plain that he would not insist on a plebiscite for the whole state, as proposed earlier, and Pakistan has long since agreed to remove her troops under effective U.N. supervision. In the present state of Pakistani opinion there seems little further concession he can make. As the country mainly in possession, and under pressure, India will therefore clearly have to make some substantial concession if agreement is to be reached. The most generally canvassed suggestion is for partition on the cease-fire line, apart from minor adjustments, but with the Vale excluded, its fate to be settled by plebiscite or by some arrangement which would give it a limited independence or make it a condominium of India and Pakistan. It will not be easy for India to make the necessary concessions, though Indian opinion has for some time seemed by no means unanimously as rigid as the Government line. But, discussions once having started, it would be a disaster for both India and Pakistan if they did not resolve the dispute. In June 1960 President Ayub was reported in India to have said that the defence of India was the defence of Pakistan and that, if the two countries could disentangle their armies from the Kashmir front, India could defend her frontiers with China more effectively. If India has now decided to make the necessary concession, it is to be hoped that she does so with generosity and so makes the opportunity to start a new era in India–Pakistan relations. She is unlikely to get a more moderate Pakistani leader to deal with than President Ayub. A. S. B. OLVER

Progress towards Malaysia and the Brunei revolt

RECENT troubles in Brunei have again focused attention on the question of Malaysia.[1] At the end of July 1962, after considering the Cobbold Commission Report[2] on the views of the peoples of North Borneo and Sarawak, the British and Malayan Governments reached agreement in principle to bring the proposed Federation of Malaya, Singapore, and the three territories of British Borneo (North Borneo, Brunei, and Sarawak) into being not later than 31 August 1963, the sixth anniversary of the inde-

[1] See 'Proposals for Malaysia', in *The World Today*, May 1962.
[2] Cmnd. 1794.

pendence of the Federation of Malaya. When, on 1 September, the electors of Singapore signified by a decisively large majority their approval of the terms for merger negotiated between their own Government and that of the Federation of Malaya, the major obstacles on the road to Malaysia seemed to have vanished.

In the referendum, the people of Singapore were not invited to vote for or against merger with the Federation of Malaya, but only on possible alternative forms of merger. None of the alternatives offered was acceptable to the left-wing Opposition in the Singapore Legislative Assembly. The Barisan Socialis (Socialist Front), with the support of the United People's Party, the Workers' Party, and other small groups with a similar outlook, mounted a campaign to persuade voters—and the Chinese voters in particular—to cast blank votes as a form of protest against all the forms of merger offered. The nervousness which the Singapore Government must have felt about this campaign was reflected in the Referendum Bill, which provided that blank votes should be treated as favouring the merger terms negotiated with the Government of the Federation of Malaya. Shortly before the referendum the Opposition seemed to be as confident of success as the Government. In the event, 71 per cent of those who voted were in favour of the Government's proposals, whilst only just over one-quarter of the votes cast were blank.

The results of the referendum should not be taken as an indication that the first State Government of Singapore to be elected in the Malaysian context will necessarily be as politically accommodating from Tunku Abdul Rahman's point of view as the Government of Mr Lee Kuan Yew. The Barisan Socialis continue to hammer away against the plans for Malaysia and have stated their intention to co-operate with like-minded bodies throughout Malaya 'to establish an equal, democratic, peaceful, and prosperous society'. The last two general elections in Singapore have brought to power parties farther to the left than their predecessors in office and the Malayan Prime Minister is uncomfortably aware that history may repeat itself at the next election.

In North Borneo and Sarawak—and particularly in the former territory—opposition to Malaysia has diminished since the publication of the Cobbold Commission Report on 1 August. In North Borneo the pro-Malaysia parties have united to form the 'Sabah Alliance', whilst similar action in Sarawak has resulted in the formation of the 'Sarawak Alliance'. In the latter territory, however, the Chinese-dominated and Communist-backed Sarawak United People's Party, which has opposed the Malaysia plan, remains the best-organized political party and is already actively preparing for the Sarawak elections due to be held in June 1963. The Legislative Councils of both territories have given unanimous support to merger inside Malaysia, subject only to suitable constitutional arrangements that will safeguard the special interests of North Borneo and Sara-

wak, and they have been rewarded by an assurance of forty seats, for the two territories combined, in the Federation of Malaysia's legislature as against Malaya's 100 seats—a very generous allocation in terms of population. The Lansdowne Inter-Governmental Committee, which was set up to work out future constitutional arrangements and the form of the necessary safeguards, has in the meantime been hard at work and the Malayan Deputy Premier, Tun Abdul Razak, said at the end of November that the Committee (of which he is Vice-Chairman) hopes to finish its work before the beginning of 1963.

Only in Brunei has opposition to Malaysia turned to violence. In July 1962, after the Sultan of Brunei had announced that he had decided to enter into discussions with the Malayan Government, the Deputy State Secretary gave a warning over Radio Brunei that a small section of the population was attempting to stir up feeling against the Sultan over the question of Malaysia. In Brunei's first district council elections held on 30 August the Party Raayat (which is opposed to the proposals for Malaysia) almost swept the board and, as the sixteen elected members of the State's Legislative Council of thirty-three are chosen by district councils on an electoral college basis, the position has for some months been a delicate one politically. In October there were suggestions that the talks between the Brunei and Malayan Governments had not been running very smoothly and that the Bruneians had left Kuala Lumpur in a huff. Very possibly differences of opinion have arisen over the use which should be made of Brunei's continuing large surplus of government revenue over expenditure as the result of the operations of the oil company in the State. Whatever the reason, Tunku Abdul Rahman, the Malayan Premier, is on record as saying in effect that 'If Brunei chooses to join us we welcome them; if they choose to stay out they may do so.'

With or without Brunei, a Federation of Malaysia now seems certain to come into existence in 1963. The fact that the Government of the Philippines is bringing its claim to North Borneo before the United Nations General Assembly and is accusing Britain of an 'act of political aggression' is unlikely to delay the creation of Malaysia. Suggestions from Indonesia that that country would not remain indifferent to the creation of Malaysia have been met by a plain warning against interference by the Tunku. It seems doubtful whether the recent uprising in Brunei has received any active official encouragement from Indonesia, but it is certain that the defence forces of the countries which are to unite to form Malaysia will have to be strengthened considerably in order to be able to meet any possible emergencies.

T. E. SMITH

The Chinese view of foreign relations

C. P. FITZGERALD

THE Governments of sovereign States do, or should, base their foreign policy on the 'realities which we see around us', as Mao Tse-tung once put it; therefore to understand the Chinese view of foreign relations one must try to see these realities from the Chinese point of view.

For any Chinese Government, Communist or non-Communist, the abiding facts of geography are the first of these realities. China is a large State and three-quarters of her borders are land-bound with one long side exposed to the sea. For many centuries the sea frontier did not count: no enemies came that way, no competing Power lay beyond it. The land frontier, especially the northern border, was the one that mattered, for across it came the destructive raids and occasional invasions of the nomadic peoples who were the principal enemies of the Chinese State. Twice they made a partial conquest of the northern provinces, in the fourth century A.D., and again in the twelfth. Twice they conquered all China, the Mongol conquest in the thirteenth century, and the Manchu conquest in the seventeenth. Many times there were destructive invasions only repelled after long wars. Of these the Japanese invasion of 1937–45 was not the least.

The Japanese invasion combined not only the land danger, invasion from beyond the Great Wall, but also the new sea danger, attack along the coasts. For this reason the Chinese State and its rulers must always bear in mind the axiom that it is unwise and very dangerous to quarrel at the same time with the Power which dominates the northern borderlands and the Power which rules the Pacific Ocean. Not all Chinese Governments have heeded this. The sea danger was not understood until the nineteenth century had run most of its course; the land danger appeared, for the time, to have been eliminated by the conquest of Mongolia by the early Manchu emperors. Their later successors therefore sank back into apathetic negligence of the defence of the empire, and accordingly suffered repeated defeats at the hands of the rising sea Powers of Europe and later of Japan.

The relative importance of the eastern and western sections of the land frontier, along the traditional line of the Great Wall or the mountain ranges on which it is built, gradually changed. In early times the western end and the middle sector, directly bordering on what is now Mongolia,

were the danger spots. Beyond this line lay the main power of the Mongol peoples and their predecessors who repeatedly invaded China. But from the fall of the Mongol dynasty in 1368 onwards this sector ceased to have the old significance. The Mongols were now numerically so much weaker than China, their technology so far behind, that they progressively ceased to be a danger.

It was the eastern sector, bordering on Manchuria, which became the danger point. This change had already begun to appear as early as the tenth century when for the first time states, or tribes, strong enough to be a threat to China grew up in what is now Manchuria. The Manchu kingdom, borrowing methods of organization and forms of government freely from the Chinese empire, grew so strong in the early seventeenth century that it was able, in a moment of confusion and weakness, to carry out a successful intervention in China which led to the foundation of the Ch'ing or Manchu dynasty. Three centuries later it was from the same region, now dominated first by Russia, then by Japan, that the greatest threat to China developed. From the Chinese point of view the potential extension of American power from Korea to South Manchuria was the real danger of the Korean War, and the factor which motivated Chinese participation.

The rise of the Russian empire, still farther north, had, by the end of the eighteenth century, given a new and formidable meaning to the old danger of Powers beyond the Wall, the more so as the Wall itself was now no longer the frontier. Chinese rule and Chinese settlement had moved far beyond it into the fertile plains of Manchuria and also into the less fertile, but minerally very rich, plains of Inner Mongolia. By the twentieth century China could no longer afford to be simultaneously on bad terms with the sea Power of the Pacific and the land Power of northern Asia. The Nationalist Government of Chiang Kai-shek, by quarrelling with Japan but failing to make firm friends with Russia, fell between these two alternatives and suffered the consequences.

Frontier traditions

A second reality for the Chinese is the traditional extent of their domain, the frontiers established by the strong dynasties of former times. China was the civilized world; for centuries this was perfectly true as far as Chinese experience reached, and the idea remained firm in Chinese minds long after it had ceased to be true in fact. Territory once won for civilization must not be given back to barbarism; therefore, territory which was once Chinese must for ever remain so, and if lost, must be recovered at the first opportunity. Such loss cannot be legal or valid; it is at best a recognition of passing weakness. The whole growth of the Chinese empire, throughout more than 3,000 years, had been built on this principle; the barbarians were conquered, then absorbed and turned into Chinese

by slow assimilation and cultural influence. To deny this process, to claim that it had, or should, come to an end, was to Chinese thought a denial of the right, a recognition of failure.

During the last age of Chinese weakness, under Nationalist and pre-Nationalist rule, maps of China showed lost border territories marked as 'lost to' Britain, France, Japan, or Russia, as the case might be. The word used for 'lost to' is the word which in Chinese imperial official histories is used to record the loss of a town or city by the emperor to rebels. It literally means 'betrayed'. Towns and territories recovered by, or subjected to the rule of, the Throne were described as 'returning to' their proper allegiance. The Chinese therefore have never felt, or indeed thought, that territories lost in the age of Manchu weakness were fully and finally lost; that frontiers fixed against their will or inclination were permanently drawn: that any encroachment upon the fullest possible claim that China could justify had any validity. One constant aim of Chinese foreign policy is to recover such frontiers and annul such cessions.

Beyond the territory which was directly governed by the imperial regime there were tributary kingdoms: Korea in the north, Annam (Vietnam) in the south, with further, more shadowy, claims to Burma, the states of Indo-China, and some of the pre-Dutch states of Indonesia. The relationship with these more distant countries was in fact purely ceremonial. China assumed no obligations for their defence and never intervened in their internal government. Their recognition of a vague Chinese suzerainty was a gesture of respect for a very great Power. But the case of the bordering States of Korea and Annam was different. They had both, in antiquity, actually been Chinese provinces. For varying reasons it had later become more convenient to leave them to govern themselves under the protection and suzerainty of the Chinese Throne. By the middle of the Manchu dynasty, in the eighteenth century, Korea and Annam, and also Tibet, were in this category. The position of Nepal and Burma was less committed, the status of the countries of Indo-China, Thailand, and Indonesia (before the Dutch conquest) was even less compromised. But the Chinese had dormant claims on all, which could be revived, if circumstances warranted, by a people with a long historical memory founded on very accurate historical records.

In so far as suzerainty over neighbouring weak kingdoms was not merely a matter of prestige, it served a strategic purpose. Some of these countries, notably Korea, could, in enemy hands, become a danger to China. They were, at least those bordering upon China, under strong Chinese cultural influence and formed a kind of extension of the Chinese world, which should therefore naturally and normally be under Chinese supervision and, if necessary, control. It is unlikely that these old ideas have wholly disappeared; indeed there is much evidence to suggest that in a new form they are very much alive.

Traditionally China did not look beyond this horizon. The rest of the known world in antiquity and the Middle Ages was barbarian. Japan should in theory be a tributary; in fact she was too strong and too distant to accept this role. India was remote but the holy land of Buddhism and not a political problem. Far away were Persia and, formerly, the Byzantine empire. With these distant countries diplomatic missions were from time to time exchanged; but no important political consequences flowed from these contacts. They were not among the realities of Chinese statecraft.

Such was the Chinese view of the world for over 2,000 years. So long a period formed a deep-set pattern which subsequent events and new circumstances cannot so easily destroy. When the European nations proved it to be out of date and false, China suffered for her unwillingness to recognize the facts. These sufferings and the confusion they caused engendered the Chinese Revolution, which ended in the establishment of the Communist regime of the People's Republic of China. The question before the world today is how far have these old ideas been accepted, rejected, or modified by the present rulers of China, who are once more strong enough to carry out policies based upon them?

Policy of the present regime

It has been evident from the early years of the Communist regime that the first great reality, the geographical facts of China's long land frontier and long exposed coastline, has been clearly understood by the new Government. Russia controls the north of Asia; the United States, succeeding Japan, controls the Western Pacific. China should not quarrel with both at once. The dispute with the United States is deep and hard to heal, whereas the new regime was bound by ties of ideology to Russia and had fewer grounds of contention. So Mao Tse-tung proclaimed, 'We lean to one side', and the side was that of Russia. There have, subsequently, indeed been disputes and disagreements with Russia but these concern ideological matters, not borders and territories. It may be that China has up her sleeve some bones to pick with Russia on the borders of Manchuria and elsewhere, but for the time being they remain concealed. There can be little doubt that China today recognizes that, even if Russia is sometimes a tiresome and reluctant ally, she is still the ally and the United States is the enemy.

If friendship with the great land Power is sometimes marred by disputes and rivalry, the causes of quarrel with the United States are material as well as being enhanced by ideological conflict. The basic cause of quarrel is Taiwan, where the U.S.A. recognizes and sustains a rival 'China', that of the Nationalist regime, constituting in Chinese eyes a denial of the just claim that the island is a Chinese province, filched by Japan, recovered by China, and rightly belonging to the Government of

China. The United States is not only the sea Power which thus encroaches on territories, including the off-shore islands of Quemoy and Matsu, which China regards as her own, but also the leading Power of the opposing ideology. In theory at least the United States has put forward the idea that Nationalist China should one day recover the whole country, when the Chinese people throw off the Communist regime. In practice no one now supposes that any such eventuality is even remotely probable. The United States would perhaps be well content if Peking would renounce Taiwan and accept the existence of 'two Chinas'; but this, too, is a very remote and unlikely development.

It is remote and unlikely because, to the Chinese, it infringes the old idea, clearly also maintained by the present regime, that lands which were once Chinese are by right always Chinese, that any division of the empire and any cession of territory is at best temporary, invalid, and unjust. It is very doubtful whether, even if the present Government of China was not a Communist one, it would be any more willing to accept the separation of Taiwan or any more tolerant of a rival regime in that island.

On other frontiers, as recent events on the Indian border have shown, the Chinese attitude is essentially unchanged. With India there was only a minor ideological dispute; India was not Communist, but she was non-aligned. In theory India, like every other country, should one day become a Communist State, but there was no particular urge to hurry up this process. Relations were for several years very good, even friendly. When China restored her authority over Tibet, an authority which the weak Governments since the fall of the empire had been forced to abandon, she was, in Chinese eyes, taking back her own, recovering a portion of the heritage of the Chinese State, of which circumstances, and the machinations of foreigners, had temporarily deprived her. It is worth observing that this view is shared by the Nationalists of Taiwan and by Chinese in all parts of the world, of all parties or none.

It was only in 1950 after China had recovered Tibet, which was lost at the fall of the Manchu dynasty (1911), that the question of the frontiers of that country came into prominence. When the Manchu regime sent an army to occupy Tibet in 1910 they at once came into diplomatic conflict with Britain about the location of these frontiers. Patrols set up boundary stones, which rival patrols removed. There was no fighting but it was a source of considerable tension. Then the dynasty fell, the Tibetans expelled the Chinese troops and representatives, and at the Simla Conference of 1912–14 Britain proposed the McMahon Line as the frontier. The treaty was never ratified by China, probably because it gave autonomous status to Tibet rather than on account of the definition of the frontier; but as China was not in control of the borderlands, the McMahon Line was accepted by the Tibetans and established by the British. India inherited it. Circumstances have now changed. In 1962 the

region has become much more important for strategic purposes than it was in 1910, and China has decided to claim what she regards as her rights, the frontier which she claimed in 1910 and before, but which no one had then defined or marked out and which few regarded as of any importance.

It can thus be seen that in practice, perhaps in theory also, the present Chinese Government accepts the old view that 'once part of China, always part of China' is a postulate of policy. It is by no means certain that it is only on this frontier that China takes the view that she has been unjustly deprived. A settlement with Burma was achieved in October 1961, giving Burma rather more than she expected. Settlements with Pakistan, and with Nepal, if similarly quite favourable to their claims, are perhaps intended to detach their sympathies from India at the easy expense of a few miles of wild mountain or uninhabited jungle. In theory much larger claims could be preferred against Russia on the Siberian and Turkestan frontiers but for these the time is certainly not ripe.

Chinese Communist policy towards the border States, once her tributaries but, in the nineteenth century and later, taken as colonies by France, Japan, and Britain, would seem to have strong points of resemblance with the older relationship of empire and tributary. North Korea and North Vietnam, the adjacent parts of these countries, are now Communist States. Both depend for survival, and indeed for their continued existence today, on Chinese arms or Chinese protection. In both Chinese influence is strong, although no overt interference in local government is apparent. The parts of both countries which remain under non-Communist regimes depend for their existence on U.S. support. Here too, the opposition of the sea Power alone prevents the consummation of Chinese policy, which seeks to establish Communist regimes dependent on China throughout the whole extent of these countries. Whether the ruler of China is an Emperor or the Chairman of the Communist Party, and the rulers of Korea and Vietnam kings or commissars, means very little in this context. The essential relationship is unchanged.

As before, China's relations are less intimate with the more distant States, Burma, Cambodia, Laos, and Thailand, and also with Indonesia and Malaya. It is no more essential to Chinese security that these countries be Communist than it was in former times that they should be subservient. What is important is that they should not fall under the control of a hostile Power. So if Burma is strictly neutral, Cambodia and Laos should be the same, and Indonesia and Malaya, so long as they join no hostile combination, such as SEATO, can be left alone. It may well be that China thinks that by being so left alone they will make quicker progress towards Communism than if she interfered. But China has made her presence felt and her power feared; between the alternatives of SEATO and non-alignment, all but Thailand have chosen the second.

The Chinese empire in the height of its ancient power never looked

much beyond this range. But China today is well aware that such a range is no longer adequate. As an aspirant to world power and as would-be co-leader of the Communist bloc, China must have a policy for further countries and for future developments. At the same time there is a sharp distinction between the Chinese policy which can be applied in neighbouring States and border regions and that which can be followed in the wider world. In her relations with the borderlands Chinese policy is manifestly traditional, national, strategic, and only modified to a minor degree by the ideology of Communism. It is indeed very doubtful whether the policy and actions of an equally strong non-Communist China would be perceptibly different.

In the lands beyond this ancient Chinese sphere of influence tradition gives no guidance. There was no Chinese foreign policy for western Asia, Europe, America, Africa, or the Pacific region. Here therefore ideology takes precedence over national tradition and defence. The United States is a world-wide Power and China's opponent; it is therefore clear that she must be opposed everywhere, if only to keep her involved as much as possible, and at as great a distance as possible from China. Cuba receives China's wholehearted support and some economic aid, but lies far beyond China's military reach. China seeks friends in Africa, using as her means the strong tide of anti-colonialism which she hopes to turn into outright anti-Western policies. This policy is partly ideological, paving the way for Communism, and partly defensive, to harass and distract the West, namely the United States. Much the same policy can be followed in the Middle East with similar aims in sight. In the former colonial world and the semi-colonial extension of it in western Asia and South America, the facts of unrest, revolution, economic backwardness, and anti-Western sentiment more or less dictate the nature of Chinese policy. These are the realities she sees.

It can be argued that if China were not isolated and opposed by the West, especially by the United States, she would not pursue such aims; she might accept African nationalism and Asian revolution as being none of her immediate business. But although such might be the policy of a strong non-Communist China, it is at least very doubtful whether in the present age of faith Chinese Communism is yet ready to see the world in these terms. In any case, as there is no present likelihood of a reconciliation between China and the United States, the question is not very relevant. China sees the world as a battlefield between Communism and its opponents. She believes that time is on her side, she condemns Russia for faintheartedness, and she is coming to the view that Russian leadership is failing and that China herself should take command.

Relations with the Communist bloc

The dispute with Russia and the Eastern European Communist States

which follow the Russian line is conducted with all the peculiar terminology and convention of a theological argument. It is in fact just that. The Chinese attitude can only be understood in these Byzantine terms. But just as the involved and seemingly remote contentions about creeds and heresies, which convulsed the Eastern Roman empire, covered or expressed strong political and racial forces which were at bottom concerned with concrete questions of power and authority, so the Communist dispute between Russia and China also is at bottom concerned with similar realities.

For the Chinese, the first of these is the danger that nuclear stalemate may lead to a Russo-American *détente* achieved at China's expense. China is not, perhaps only not yet, a nuclear Power. Even if she were to achieve this status soon, it would still be many years and would cost a great effort before her nuclear armament could approach the level of the U.S. or Russian power. Meanwhile Russia draws back in Cuba, and the signs that both the nuclear giants will always seek to avoid a destructive confrontation multiply. Such policies will before long, if they prove viable, lead to a wider area of agreement. Russia and the United States will seek not only to avoid a catastrophe when it threatens, but also to prevent the rise of situations likely to lead to such a threat.

This must mean that areas in dispute must be defined and solutions or compromises projected, discussed, and perhaps attained. It would seem likely enough to the Chinese that their interests will be among those that would be traded away. To prevent this China must make things difficult for Russia, since she clearly cannot influence U.S. policy. If China can frustrate Russian desires to achieve a relaxation of tension with the United States there is more chance that Chinese interests will be taken into account, and the bargains, when they are made, will be more favourable to her. She must at least insist that no bargains are made without her. This insistence also serves to counter what has hitherto been a postulate of U.S. policy, namely that China must be kept out, out of any serious and major conference, out of the United Nations, out of the comity of nations as far as possible. But if Russia is forced to admit that only by letting China in can any progress be made, this hard fact must in time be accepted by the United States. It is a long-term policy; China does not expect immediate results, 'let the water flow and the stones will appear'.

Secondly it is important to China that the emergent nations of Asia and Africa, Communist or otherwise, should not be led by Russia into the path which China clearly suspects Russia of wishing to tread. These unsettled lands are valuable to China not so much as allies or potential friends, but as troublemakers for the West. They must not be allowed to attain too peaceful a relationship with the West, at least not until China's aspirations are satisfied.

The question thus remains, what are these aspirations? The recovery of her whole national territory, including Taiwan, is certainly the first. The

recovery of her predominance in the lands bordering China and formerly under her suzerainty is certainly the second. These are national aims. China also, for reasons of prestige, seeks the general acknowledgment of the world that she is among the first of the Great Powers, as befits her priority in population. This, too, with the admission of Communist China to the Chinese seat at the U.N., can be regarded as a national aim. The attainment of these is not yet in sight. The United States supports Taiwan, South Korea, and South Vietnam; the United States blocks China from her seat at the U.N. Many of the Western nations and some of the Asian and African States do not recognize the People's Republic. U.S. influence is the main reason for this policy. This being so, the pursuit of China's first objectives means the continuation of conflict and contention with the United States. No alternative policy appears available. There has never been any reason to suppose that mild Chinese attitudes would lead to a reversal of U.S. policy in these areas.

Since the situation commits China to this form of cold war it may be that consideration of further and higher aspirations is irrelevant or merely of theoretical interest. But it can be argued that the pursuit of the further policies may hasten the attainment of the nearer goals. If among these long-term aims is the aspiration to become the leader of the Communist bloc, or even the acknowledged co-equal partner with Russia, it might well be that this would in itself result in such an enhanced standing for China that U.S. opposition would have to be modified, that compromises would have to be offered, and that China's views would, at the very least, have to be heard in conference and at the U.N. Thus even on a relatively short-term calculation it may be to China's interest to press her claims to partnership, if not to leadership, and to keep this pressure up.

If, through succession troubles or internal disputes, the Russian leadership faltered, then China could thrust herself forward as the true successor, the champion undaunted by odds, and bid for the leadership of all the lesser Communist States, in some of which the regime is none too soundly based. By simply making it plain that such an eventuality is conceivable and perhaps possible in some circumstances, China achieves the aim of keeping Russia left of centre, making the possible bargain at China's expense too dangerous and too costly.

China is an ancient State, even if she is now ruled by a new system. For many centuries she remained secure by dividing her enemies, flattering the submissive and crushing the weaker foes. She never had an ally, she never sought a friend. They would have been too far away: perhaps they still are. This ancient tradition of standing alone and superior is dangerous and may be unwise, but it is also dangerous and unwise for the West to leave China no other alternative.

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Obstacles to reform in Latin America

CLAUDIO VELIZ

WHATEVER hopes are entertained, especially in official circles in the United States, for a fairly democratic, rapid, and efficient process of reform in Latin America, the responsibility for initiating and implementing this reform is definitely being placed in the hands of those groups variously described as 'middle sectors', 'middle masses', 'middle segments', and so forth. The general assumption is that all other classifiable social groups are either unable or unwilling to undertake such responsibility. These reformist hopes on the part of the United States are also functionally related to a desire to break away from her traditional alliance with groups in the extreme right wing of the political spectrum and to seek new contacts and establish good bases for firm co-operation with political parties and coalitions of the centre-left. The new image of the United States is to be reformist, not reactionary. This will mean the forfeiting of considerable support in the extreme right wing, but such support is expendable nowadays and will be more than compensated by the new and vigorous help likely to be forthcoming from the ranks of the centre-left-wing moderate parties and groupings. By supporting middle-class-based political parties bent on democratic reforms, the United States hopes to exorcize the ghost of Communist upheaval, to lead the landowning, reactionary groups into the twentieth century, forcibly if need be, and to become the champion of intelligent, well-planned, democratic structural change in Latin America.

On paper all this is impressive and extremely reasonable; in practice it will probably fail. The reasons for this pessimistic view have nothing to do with the evident sincerity of the United States but very much to do with the nature of Latin America's 'populist' movements, with anti-Americanism and, what is perhaps most significant of all, with the nature of the social groupings and the motivations of the urban middle classes in the Latin American continent.

Populist movements

Sooner or later students of Latin American politics are surprised to discover that there has never been a successful Communist or Socialist revolt in that continent. Moreover, never have Communist or Socialist parties, acting under those names or generally recognized as such, won a

major election or gained control of any Latin American country through a series of electoral victories. On the other hand, what has obviously been taking place in Latin America is a number of victories for those vague, confused, and unwieldy coalitions generally classified under the generic term of 'populist movements'. Into this class fall the Bolivian Movimento Nacional Revolutionario, the Venezuelan Accion Democratica, the Chilean Frente de Accion Popular, the Argentine peronist movement, Brazil's strange brand of populism which threads its way from Vargas to Quadros and Goulart, the Peruvian Alianza Popular Revolucionario Americana, and even Fidel Castro's 26 of July movement. None of these eminently successful political coalitions or parties can be described as Communist or Socialist but all are, in one way or another, reminiscent of Socialism and all occasionally adopt slogans, programmes, or propaganda devices which elsewhere are only used by the Communist Party.

The nationalizations of foreign assets, the arbitrary expulsions of U.S. journalists, the premature and ill-organized reforms, and the confiscations of local private fortunes have been carried out by these populist movements and not by powerful Communist and Socialist parties led from Moscow. The argument that a handful of Communists, cunningly concealed inside these mammoth popular movements, are the people who do all these alarming things, apart from being a rather silly platitude, does not take into consideration the evident fact that Perón was by no means a Communist puppet and under no one's orders, and that the Bolivian MNR and the Peruvian APRA, Getulio Vargas, and even Fidel Castro's original 26 of July movement were not even allied with the Communist Party and in many cases have been strongly opposed by it.

These movements, however distasteful and however difficult to classify or even to describe, happen to be popular, successful, and intrinsically Latin American. They are a result *sui generis* of the continent's crash landing into the twentieth century. In many ways they want to be all things at one and the same time and often are faced with disastrous results after years of hard work. But when they do succeed, and this is more often than not, they bring about changes which are momentous and irrevocable. An examination of the lasting results of the chaotic Mexican revolution or of the equally disorganized revolution in Bolivia, let alone of the changes brought about by Fidel Castro's revolt, leads the observer to appreciate that lack of political sophistication, *á l'européenne*, is not necessarily a disadvantage when it comes to changing the social and economic structure of a nation. But what is important about the populist movements is that their support, directly or indirectly, is absolutely essential in any alliance, coalition, or grouping of centre-left parties. The Argentine Radicals have learned this the hard way, and other countries, such as Peru, Venezuela, and Chile, have also experienced the electoral difficul-

ties which come from having one of these vast, vague, and relatively unreliable populist monsters in their midst.

Anti-Americanism

Having established the fact that populism and not Communism has in the recent past initiated drastic reforms and unpalatable political action in the Latin American continent, and having accepted the self-evident fact that these populist movements are really popular, it must now be explained that their common denominator throughout Latin America—perhaps with the very qualified exception of Venezuela's Accion Democratica—is their anti-Americanism. To dismiss this rather naïve feeling, common to practically all the populist movements, as childish, irresponsible, unrealistic, or mistaken is hardly to the point. What is important is an appreciation of the fact that this sentiment feeds on reserves of resentment which are only too near the surface among the politically conscious in Latin America.

It is this fact which makes the U.S. appeal for centre-left support for her Alliance for Progress such a paradoxical proposal.[1] Even if they agreed with the principles of the Alliance, these populist parties could not possibly go to their supporters on a pro-U.S. platform for the simple reason that they live and breathe in an anti-U.S. atmosphere. In fact, the attempt by many U.S. agencies and institutions to dilute the typical U.S. image by sending a growing number of European technicians and advisers to Latin America is a tacit recognition of the strength of anti-Americanism in the continent.

The facile equation of anti-Americanism with Communism is an argument which will not hold water. Anti-Americanism was noteworthy several decades before the Soviet revolution. Bolivar had something to say about it, and it is as well to point out that the British helped to make it respectable during their prolonged political and commercial rivalry with the United States in the nineteenth century. For instance, in the Chilean Civil War of 1891, the United States strongly supported President Balmaceda, while it is no secret that Britain, directly or indirectly, gave moral and material support to the successful revolutionary movement. Antagonism towards the United States in all levels of society in the continent was fanned by highly coloured accounts of the Mexican war and of the sporadic incursions of the U.S. Marines into the Caribbean area. A Lenin or a Stalin was not needed to convince Latin Americans that they must be watchful about the intentions of their northern neighbour.

This suspiciousness is one reason why the latest change in U.S. policy towards Latin America has not been very successful in winning left-wing political support. A mellowed Haya de la Torre may go out of his way to

[1] See 'The First Year of the Alliance for Progress', in *The World Today*, October 1962.

soothe foreign investors but he is quite well aware of the fact that APRA still stands for anti-imperialism in general and anti-Americanism in particular in the minds of most of his unsophisticated supporters. President Frondizi has now had several months in prison during which to meditate on the disastrous loss of popularity he sustained when he decided to abandon his traditional views and to grant oil concessions to foreign companies.

These instances can be multiplied *ad nauseam*. They show one thing above all, that anti-Americanism is a grass-roots phenomenon in Latin America which no left-wing party can afford to ignore. Not even the most optimistic defender of the reformist recommendations of the Alliance for Progress can forecast electoral victory for a party campaigning on a pro-United States platform. These sentiments are even finding an echo in the traditionally reactionary armed forces. Groups of young officers have been known to approach left-wing parties to plan concerted action against 'foreign intervention'. These officers are likely to admire President Nasser and Kemal Ataturk: they are most likely to spend a lot of time studying the history of the Meiji era or reading Karl Marx. Today they might even have a grudging admiration for Fidel Castro in his fight against the United States and his rapid rise to world notoriety. What they certainly do not have is admiration for General Eisenhower or General MacArthur and they do not look to the history of the United States as a source of inspiration. Yet their anti-Communist fervour is equally strong and is probably only surpassed by that of the traditional landowning groups, who are now themselves showing a first sign of anti-American feeling as a result of the reformist recommendations of the Alliance for Progress. During the last few decades, the United States found her strongest supporters among the wealthier groups in Latin America, especially the new industrialists and the landowners. The former have recently acquired land for purposes of social prestige and the latter still control the fertile lands which the King of Spain granted to their ancestors three and four centuries ago. Neither group is now happy about the prospect of agrarian reform; both are very much annoyed with the U.S. insistence on reform as a condition for further monetary help.

Of course there are exceptions to this process but, at the risk of a slight oversimplification, one might say that the United States has less support today in Latin America than she had before the Alliance for Progress was first proposed. Before March 1961 she had the unconditional support of the right wing and the equally unconditional opposition of the left wing. Today she has the grudging tolerance of the right wing and the same undiluted opposition from the left wing. There are very few strong centre parties but even these have been taking a critical view. To this general trend must be added the adverse impression made by the handling of the Cuban situation, an impression which the most recent developments

have only partially erased. Before, say, the Bay of Pigs expedition, the centre parties in Latin America had been faced with a fairly clear dilemma: either Western civilization and the leadership of the United States or Soviet leadership and Communist barbarity. But the Cuban revolution has forced the United States to present the question in a radically different form. Now it is a choice between Cuba and the United States and, in spite of the Soviet missiles, it is very hard for a party with any hopes of gaining popular support, to suggest openly that the United States ought to be preferred.

Nature of the urban middle sectors

But the fact that anti-Americanism is much more important than its victims appear to think and the fact that 'populism' and not Communism is the main agent for drastic change in Latin America are secondary to the central feature which will probably be held responsible for the failure of the Alliance for Progress. This is the unwillingness of the urban middle sectors of the population of Latin America to initiate, let alone implement, basic structural reforms. These middle groups have been vested with the responsibility of doing what they do not want to do. So far, their political leaders have only put forward fear and greed as suitable incentives for reform. It has been said that the middle classes must initiate substantial reforms lest the Russians come and do it for them, and also that, unless they reform, dollar aid will come to an end. Very few, however, seem to believe that these reforms are intrinsically good and that they are justified on the grounds of social justice or even of economic efficiency. The incentives which appeal to these middle groups appear to be much more pragmatic. But unfortunately for the Alliance, fear does not seem to be a very effective spur to action. To the people of Latin America the cold war, in spite of Cuba, is still a remote affair between distant nations, whereas the land owned in Argentina, Colombia, or Chile is an overwhelmingly concrete reality. The future well-being of a just and efficient society is very much an affair of the future whereas tax-evasion pays immediate dividends and social prestige is something enjoyed at first hand.

Greed is also sadly inefficient as a prime mover when the recipients of aid are convinced that the donors' attitude is determined by self-interest rather than by genuine generosity. Precisely because of the thinly disguised motivations behind the concern of the United States for Latin America, there are many who maintain that the northern neighbour cannot afford not to give aid to her southern allies. Once this cynical thesis is accepted, noisy inaction becomes the most reasonable course and the much publicized reforms recede further into the future.

The fundamental error in the U.S. approach, however, has to do with its definition of the middle class. U.S. scholars, politicians, and journalists have gleefully discovered a Latin American middle class and, without

pausing to find out what kind of a middle class it really is, they have proceeded to credit it with all sorts of qualities it does not possess. In fact, the only claim which the Latin American urban middle groups have to the description 'middle class' is based on the fact that they are in the middle, between the traditional aristocracy and the peasants and workers of the working class. But this geometrical disposition has nothing to do with the objective qualities which have clearly characterized the rise of the middle class in industrial countries in Europe, or, for that matter, in the United States. Unfortunately, however, many scholars and politicians have become convinced that the rising middle classes of Latin America are as jealous of their bourgeois rights and privileges and as devoted to the commonweal as were the citizens of Manchester a century and a half ago.

The most important single reason why, up to the time of the second World War, there had not been a strong, anti-aristocratic, bourgeois, capitalist middle class in Latin America is that there had been no industrial expansion great enough to generate such a pressure-group. The growth of cities in Latin America has had very little to do with the growth of industries, and the attitudes, inclinations, and tastes of Latin American city dwellers have little or nothing in common with those of the inhabitants of industrial cities elsewhere. To compare Philadelphia or Birmingham with Buenos Aires or Santiago is not a very rewarding method of research. But this is in fact what many students of these problems have done. They have discovered a 'middle class' of city dwellers with civic inclinations, among whom there are a large number of bureaucrats and professional men, and they have hastily concluded that, as this was neither the old landed aristocracy nor the lower order of peasants and workers, it had to be *the* middle class.

In the context of this paper it is permissible to take what is usually described as 'rising middle class' as synonymous with or, at any rate, similar to what goes elsewhere under the name of 'bourgeois capitalist group'. This would perhaps not be the most satisfactory procedure for a marxist scholar or an academic sociologist, but it suffices for our general purposes. The rising middle class in Europe, and especially in Britain, owed its existence, at least in part, to the growth of industry and the formation of new relations of production between social groups. The members of this new and vigorous class were conscious of their own separate and very different status: they were anti-aristocratic and anti-traditionalist. They had a new way of producing things, a new attitude towards society, a new morality, and an overriding contempt for the hierarchical values upheld by the landed aristocracy. They were a dynamic and self-conscious group which, after several centuries of exertion, had obtained economic power and were ready to knock on the doors of parliament to obtain the measure of political control which they felt was their due. In the course of their rise to power they formed moral and intellectual habits which were to accom-

pany them well into the nineteenth and even into the twentieth century.

No such group has ever existed or is likely to exist in Latin America. The well-intentioned attempt to identify a liberal, industrious, frugal, and reformist middle class in the present Latin American social structure is destined to early facile success and eventual catastrophic failure. There are groups which have the superficial characteristics of the middle class: they even talk, write, and think of themselves as being middle class, but objectively they are not, and it is very hard to see how they can ever bridge the distance which separates their intrinsic conservatism, their respect for hierarchical values, their admiration for their national aristocracies, their overwhelming desire to rise and be accepted by those they regard as their betters, from the dynamic reformism which is usually associated with middle-class idiosyncrasy.

This unexpectedly conservative attitude on the part of the Latin American urban middle sectors is relatively new. Until the second World War their political leadership had maintained a reformist position and had even become associated with a number of national Communist and Socialist parties. In fact, during the years between the wars, several reformist political movements, broadly based on urban middle-class support, managed to get near the sources of political power in their respective countries. By so doing, they reversed the traditional order in which social classes or groups perform their climbing feats. The well-known sequence of social ascent usually begins with the acquisition of wealth, continues with the achievement of political power, and ends in the long and tedious quest for social prestige. The urban middle sectors of Latin America, however, reached the sources of political power with the support of the popular vote, while they were still economically unimportant. They did not represent growing industrial pressure groups nor were they associated with the traditionally foreign-dominated extractive industries. The land was still held by the old aristocracy and commercial activity was controlled either by foreign business houses or by well-established minor local firms. There was no area of the economy from which the rising urban groups could derive substantial financial support. In fact, before the crisis of 1929, there had been practically no industrial development worth mentioning in Latin America and therefore it is impossible to attribute the rise of these middle sectors to changes in the traditional social structure. They were recruited from the distributive trades, the bureaucracy, the white-collar workers, the professions, and the intelligentsia.

As we have said, the political leadership of these groups during the 1930s was essentially reformist. Confronted with the mansion of privilege and power, they wanted to demolish it and build a larger one where at least the whole of the urban middle sectors could have a place. A variety of reasons explains the failure to implement these reformist policies. Firstly, the middle groups seldom had absolute political control. Al-

though victorious at the polls, they had to share political power with a established administrative bureaucracy and moderate their policies i order to obtain support from other powerful political parties. Only i Mexico did they manage to become supreme; there they have governe the country through a single-party system up to the present tim Secondly, they did not have a clear-cut programme, apart from the usu platitudes about freedom and prosperity. Once in power, they lost con siderable time and also impetus in finding out what to do and how to do i Finally, the outbreak of the second World War created a new situatio which opened unprecedented opportunities for rapid industrial growt

Developments since the second World War

European and U.S. exports ceased to reach Latin American marke and, in the vacuum thus created, a fantastic mushrooming of industr took place. The consequences of this were obvious. In less than a decad the leadership of the urban middle sectors became extremely wealth Using their access to the sources of power and their influence with th bureaucracy, they allocated tenders, granted licences, exercised the tr ditional rights of patronage, and, even without outright corruptio accumulated considerable fortunes. These economic changes were to swift, unexpected, and accidental to result in significant social change No apparent contradictions developed between the aristocratic lan owner and the wealthy radical leader: on the contrary, they became fa friends and political colleagues once the rising bureaucrat had boug land and racehorses, joined the local country club, and taken his first go lessons. Thus in a relatively brief period of time, the violently outspoke reformist leaders of 1938 became the sedate, technically minded, an moderate statesmen of the 1950s. Once their foot was in the door, the was no more talk of demolition: now the problem was how to get insi the mansion of privilege. The leadership of the urban middle sectors ha gained access to the very sources of political power which they no shared with the traditional landed aristocracy. They had also acquire considerable wealth and, as new and well-protected industrialists an bureaucrats, also stood as equals with the wealthy landowners. The o thing they lacked, and which they could only obtain from their enemi of a generation ago, was social prestige.

Social prestige is an important asset in a nation with a true aristocrac that is, an aristocracy which is politically active and economically impo tant. Aristocracies without power are ridiculous; those with power a eminently respectable. In Latin America there survives what is perha one of the largest and oldest aristocratic establishments in the Weste world. Through countless revolutions, civil wars, and other catastrophe it has managed to hold on to most of its land, a considerable part of i power, and all of its social prestige. Generals, 'caudillos', and colone

come and go, but the aristocracy remains. There are a large number of families, in countries like Chile, Colombia, Argentina, and Peru, that have contributed presidents, senators, prelates, scholars, judges, high-ranking military officers, and even Spanish colonial officials in practically every generation for the last two centuries. These families constitute aristocratic groups which are easily identified by name by their fellow citizens and, in the absence of an Honours List, they hold an absolute monopoly of social prestige and patronage, which they bestow in fact through their friendship and association.

The fact of the survival of these aristocratic groups, in spite of revolutions, palace revolts, and the like, immediately qualifies all the popular notions about political or institutional instability in Latin America. It can even be said that the continent's record of stability is almost without parallel in the Western world. There are very few countries—perhaps with the exception of Spain and Portugal—that can boast of having had practically the same social structure for over two centuries. These aristocratic groups represent the social peaks which the urban middle sectors want to climb. Now, throughout the continent, the middle sectors are willing and ready to outdo the conservatives in their devotion to established institutions. If they have acquired land for purposes of prestige during the last two or three decades, they are certainly not going to give it away just because the Alliance for Progress is suggesting such a thing. In fact, it is not altogether difficult to suppose that the traditional landed aristocracy, precisely because of their talent for adaptation, are more prepared to give their land away, if they feel this to be necessary for survival, than are the newcomers who have just achieved the landed proprietors' clubs.

Social-climbing has thus become a political institution. It is perfectly true that this is a well-known aspect of all social change. Europe has even produced a complete gallery of caricatures and stereotypes around the ridiculous figure of the *nouveau riche*. But Latin America has improved on the old style by making this a mass phenomenon, an institutional factor which is actually changing the political and voting habits of the whole urban middle sector. This trend can be seen clearly in election returns during the last few years. Populist left-wing support is today mostly concentrated in rural areas, whereas the old voting pattern gave left-wing coalitions strong support in the cities and not in the countryside. Chile's Socialist Party—a member of the FRAP coalition—in the recent parliamentary elections managed to return only one deputy with about 4,300 votes in the Santiago area, which has almost 2 million inhabitants, while Salvador Allende, the leader of FRAP, scored a decisive victory in the Valparaiso–Aconcagua area, which has been traditionally a rural conservative stronghold. Venezuela's Romulo Betancourt became President on the strength of the rural vote, while he lost decisively in Caracas. The

same can be said of the APRA candidates who are defeated in Lima but win overwhelming victories in the countryside. And, for that matter everybody knows that the strongest opposition to the Cuban revolutionary regime comes from the cities and its staunchest support from the rural areas. These instances can be multiplied. They all show that left-wing strength is diminishing in urban areas and growing among the peasantry.

One of the main reasons for this is the filtering down to the lower ranks of the social climbing attitude of the upper strata of the urban middle sectors. Inextricably bound up with this attitude is the idea that urban Latin America is an open society, where opportunity is for the taking, and with a bit of luck or pluck any aspiring young bureaucrat or enterprising delivery boy can achieve the highest ranks of the social structure. This of course is a totally false idea, but the fact that hundreds of thousands of literate urban dwellers accept it as true lends it all the weight and importance of concrete fact.

Inflationary trend

The irregular but persistent inflationary trend throughout Latin America is both a partial result of this situation and, paradoxically, one of its most interesting determinants. It must be remembered that the urban middle sectors have made their claims to political power, economic power, and social prestige within one generation. To those who have witnessed this phenomenon, it has looked very much like conclusive evidence of high social mobility. Many families that thirty years ago barely rose above the level of the proletariat are now fairly wealthy, politically important, and are pressing insistently for social recognition. But, because this process has been very rapid, the easiest way to demonstrate power and affluence has been through conspicious consumption. This rather obvious trend has been strongly reinforced by the impact of films and magazines on spending habits generally, and in many ways the hierarchical arrangements accepted by urban society have been translated into spending patterns. Once a spending pattern has been directly or vicariously accepted by the urban middle sectors, only a major depression or a substantial and prolonged fall in absolute standards of living can shake their loyalty to it. Hire-purchase, domestic credit expansion, and many other means are used to permit further social-climbing in this way. But the rigid social structures, which have not really changed, prevent further industrial expansion. Affluence is therefore restricted to very small areas in large cities and the size of the market remains the same or actually shrinks in relative terms. Thus, the traditional economic over-simplification about people who consume like Europeans but produce like Latin Americans becomes at least partly true.

In this paradoxical way, the institutionalization of social-climbing can be both a partial cause and also one of the results of the persistent in-

flationary process. As a cause, it can be classified together, and rightly, with other structural obstacles to economic development. As a consequence, it is the drug that keeps hope alive and expectations flourishing among the urban middle sectors, while all around them poverty, misery, and stagnation fill the social and political horizon.

This fundamental isolation, both emotional and intellectual, of the urban middle sectors from their social and cultural environment can be dramatically illustrated in their basic cultural sterility. The middle classes of Europe did not look to the aristocracy or to any foreign influence for guidance in their cultural creativity. Their dress, manner of living, gastronomic and architectural tastes, and inclinations in painting and music were their own and, if anything, their creators were smug and stubborn in their loyalty to their own tastes and values. Not so with the urban middle sectors of Latin America. At the highest levels, they follow the sartorial, domestic, and artistic guidance of the aristocracy they so much admire and hope to join. At lower levels, they get their cue from glossy magazines and technicolour films. As the aristocrats of these countries—however skilful in the art of political survival—are not particularly distinguished in originality and cultural creativity, it is not surprising to find that they in turn take their ideas from Europe or the United States. As a result, the domestic tastes and inclinations of the urban middle sectors are beginning to have the same flavour of unimaginative imitation.

Attitude of the Intelligentsia

At this stage it is fair to ask whether the intelligentsia, which evidently formed part of the urban middle sectors in the decades between the wars, participates today in this enthusiastic quest for social prestige. It does not, and the most obvious and telling effect of this is the creative sterility of the urban middle classes when left to their own resources. The intelligentsia ceased to identify itself with the political, social, and economic leadership of the urban middle sectors soon after the second World War, when it became obvious that the new radical plutocrats had abandoned their reformist programmes and were committed to a defence of the established institutional structure. This clear divergence of goals and attitudes has led to a remarkable situation in which a vast urban middle sector has been openly, and rather ignominiously, abandoned by its own intellectuals. This development is not as common as it sounds. The intelligentsia of the rising English middle class was definitely identified with its social and political leadership. Dickens, for instance, as Orwell points out, thought that the remedy for the evils he described in English society was bourgeois decency not socialist revolt.

The opposite is true of Latin America today. Most of the continent's intellectuals are in opposition and have adopted a quiet but forcefully

critical attitude. There are extremely few writers, poets, musicians, economists, architects, or historians of the last generation who are willing to identify themselves with the political and social arrangements made by the leadership of the urban middle sectors. This does not mean that they are all members of the Socialist or Communist parties. In fact, most intellectuals are not members of any parties at all. It simply means that they do not think—like Dickens, Balzac, Dumas, or, for that matter, Walt Whitman, Mark Twain, or Ralph Waldo Emerson—that they are living in a dynamic society where occasional injustices and mistakes can be put right with goodwill and bourgeois decency. On the contrary, they are extremely sceptical, critical, and pessimistic. Hopelessness seems to dominate their view of contemporary affairs and indifference is only overcome when something like the Bolivian or the Cuban revolution, the victory of Betancourt in Venezuela or Frondizi in Argentina, promises to achieve the reforms which could initiate the period of vigorous growth which everybody is hoping for.

Meanwhile the urban middle sectors, essentially conservative and conformist, fundamentally inclined to defend the *status quo*, emotionally ready to cast in their lot with that of the old order, are precisely the sectors which are now being asked to reform, to change, to lead their nations into a new era of development. It does not take very much political acumen to realize that they cannot do this, no matter what incentives are provided from abroad, for the simple reason that for them the opportunity for social advancement at home—the chance of entering the glittering mansion—is the best of all possible rewards.

An indifferent or critical intelligentsia; growing populist movements with a strong anti-U.S. tradition which shows no signs of weakening; and a large and influential urban middle sector emotionally and intellectually committed to the preservation of the traditional social structure: these are the factors which make it very difficult to be optimistic about the immediate future of democratic reforms in Latin America. In the absence of reformist leadership from the urban middle sectors, the forgotten elements in Latin American society, the workers and peasants, may very well join the dissident intelligentsia and take into their own hands the responsibilities of implementing the fundamental structural changes which are urgently needed.

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The Soviet bloc and the Common Market

ALFRED ZAUBERMAN

THE opposition to the European Common Market on the part of the Soviet bloc has two facets. One is a forceful ideological-political campaign. Among its objectives there is presumably the aim of giving additional weight to economic argument against Western European integration, but this cannot be isolated from the wider context of the global conflict and will be disregarded here. This article will be confined to a broad analysis of the *economic* repercussions which the *economic* consolidation of Western Europe may have on the Soviet bloc, and the effectiveness of counter-action on its part.

About half the European East–West trade of the Soviet bloc is carried on by the U.S.S.R., and one of the outstanding characteristics of its westward flow is its heavy and growing geographical concentration on a few countries.[1] Of the Soviet bloc's total trade with Western Europe, nearly half is with the three largest countries of the European Economic Community, West Germany, France, and Italy, and with Britain. The concentration is still more marked in trade between the U.S.S.R. and the West. Later in this article reference will be made to the reasons behind this trend. For the moment, however, we shall consider the understandable concern felt in the various capitals of the Soviet bloc at the process of consolidating all the major Western trading partners of the bloc into one single trading community. Among the Big Four mentioned, West Germany and Britain have for the past few years been competing for the lead in trade with the Soviet bloc; in the case of some countries of the bloc, particularly that of Poland, Britain is the leading Western trading partner. This fact may have intensified the bloc's anti-Market campaign ever since Britain's access to the Common Market became a topical possibility.

Commodity pattern

Broadly speaking, the commodity pattern of the Soviet bloc's trade with the Common Market, and specifically with the Big Three and with Britain, is of the type well known in relations between retarded and industrially advanced regions. Primary materials—foodstuffs, fuels, and

[1] Factual data for this article have been drawn mainly from the admirable surveys in the *U.N. Economic Bulletins for Europe* for the last few years.

raw materials—make up three-quarters of the bloc's total exports to the Common Market. The remaining one-quarter, made up of manufactures, will shrink further—down to approximately one-seventh—if iron and steel and other base metals are deducted. If anything, this pattern is still more pronounced in the case of the Soviet Union alone. Manufactures form less than one-tenth of her total exports to Western Europe. By contrast, they predominate in the exports of the Common Market and, even more, of the Big Four to the bloc. The main emphasis in this direction is on engineering products, with important implications which will be dealt with below.

A certain deviation from the overall contours of the commodity pattern is discernible in the East–West trade undertaken by East Germany and Czechoslovakia; its pattern is more akin to that usual between industrial nations. In the case of these two countries, manufactures represent about two-fifths of total sales to the West. In the present context, however, two points must be made immediately. First, trade between East and West Germany, which accounts for nearly half of the G.D.R.'s exchanges with Western Europe (and, incidentally, forms the largest single component of the East–West trade of Europe as a whole) is specifically exempted from the E.E.C. arrangements in respect of commerce with countries outside the Market. It is treated as *internal German* trade and the E.E.C. has no direct bearing on it. Secondly, quite apart from the effects of the Common Market, the fact that Czechoslovakia and East Germany are exporters of manufactured goods seems to have reduced their chances in the Western market; in fact their trade has shown a comparatively slighter trend of expansion than that of the rest of the bloc, though admittedly political factors have also played a part in the case of East Germany. For many reasons the generally observable tendency of commodity exchanges to rise with the degree of industrialization of the trading partners does not apply to the East–West trade of these two countries or, in fact, to East–West trade in general; there is in this respect a certain inherent handicap, quite apart from the question of Western European integration. Both these factors have to be taken into account in evaluating the losses, actual or potential, of Czechoslovakia and East Germany caused by the process of European integration.

Foodstuffs, fuels, and engineering exports

While, as we have said, primary produce forms the bulk of the westward flow in Europe's East–West trade, it is necessary, in order to assess the Common Market's longer-term impact on it, to make a further differentiation. This impact is not likely to be the same for the different categories coming under this heading. To begin with, the countries of the Soviet bloc are confronted with a real threat to their time-honoured exports of foodstuffs. The policy of the Six—tending as it is towards unified

prices for the main temperate-zone products (including cereals, eggs, and pig meat) combined with a system of levies on imports to be used as subsidies for domestic farming—must inevitably adversely affect the bloc's competitive position as suppliers. Foodstuffs make up about one-fifth of the bloc's sales to Western Europe: moreover, significantly for the structure of this trade, they are the elements most capable of expansion. Hence the Market's rising barriers would undeniably present a serious dilemma for some countries of the Soviet bloc, particularly should Britain join the Market. Typical in this respect is the case of Poland (the largest East-West trader in foodstuffs in the bloc), for whom exports of foodstuffs, mainly bacon, but also butter, eggs, and sugar, are the principal hard-currency earners, accounting for about half the total earned and thereby her principal means of financing her purchases of Western goods, especially of capital goods. Understandably, neither Poland nor any of the Balkan countries, nor Hungary, can face with equanimity the prospect of discriminations which are bound to be hurtful.

It should be noted, however, that on this count the prospect is comparatively less disquieting for the U.S.S.R. herself than it is for some of her partners in the bloc. In the case of Russia, something like 70 per cent of the goods sold by her to Western Europe consist of primary products, mainly fuels, timber, and base metals, plus the products of extensive agriculture, cereals and fodder. But the latter commodities have gradually declined in importance in her European trade. This decline is due to various factors, the chief of which is the failure in her policy of agricultural expansion and the difficulty she is experiencing in keeping output in step with the rising demand, both at home and also from the Central and Eastern European countries which look to her to supplement their growing deficits in grains and fodder. (Their requirements of the latter commodities are rising because of their national policies of expansion in animal husbandry.) Hence the Russian emphasis on a westward drive in crude materials. As a rule these are not affected by any discrimination in force or likely to be enforced by the Common Market.

There is, however, an important rider to be added concerning fuels. For various reasons they are an exception which deserves special attention. Solid fuels still play an important role in the Western trade of the Soviet bloc. Poland is the principal hard-coal exporter; indeed, not long ago coal formed the main pivot of her European trade. Even for East Germany, which is highly industrialized, brown coal is the largest single export item. By now the Soviet bloc has displaced its most serious competitor, the United States, and has secured the first place in Western Europe's list of outside suppliers of solid fuel. But the increasing superabundance in world markets (as well as rising domestic consumption in the countries of the bloc) weighs heavily on the future chances for coal in East-West trade. Poland, for one, seems to have reconciled herself to

the inevitable: she is trying, not without success, to find substitutes in her pattern of foreign trade for what was once upon a time known as a 'coal mono-culture'. This situation, and in fact a more general world plethora of energy-generating materials, is a truly classic instance of the precariousness of prediction. Only a few years ago an energy deficit was believed to threaten the world economy with strangulation; now—and apparently with good reason—the glut is seen as a lasting phenomenon.

This is, however, but one of the reasons why the spectacular Soviet oil drive of recent years has provoked anxieties and strong reactions in the West. By now oil and petroleum products form the largest single item of Russian exports to Western Europe. They amount to something like one-eighth of the total exports of the whole Soviet bloc; in the case of the Soviet Union and Rumania, the proportion of their total exports is twice as high. The Soviet Union's overall chronic weakness as an exporter, accentuated by her dwindling exports of foodstuffs (which were once the mainstay of her foreign trade), increases the determination of her drive in the oil market—a push made possible by the vigorous expansion in her oil-fields, which was not expected by most observers.

But, more than any other commodity, oil as a Soviet item for export was bound to meet with strong resistance. The economic and political factors involved are too well known to need restatement here. In recent years West European petroleum imports from the Soviet bloc have grown fast, especially in two countries of the Common Market, West Germany and Italy. It has been suggested by authoritative sources that, from the security angle, dependence on the bloc for more than about one-tenth of domestic supply would involve serious dangers. West Germany's buying is still well below this ceiling, but Italy's is well above it; in 1961 the bloc's share in her petroleum imports and consumption amounted to 18 and 16 per cent of respective total tonnages. It is too early to say whether some recently noticeable check in West European imports of Soviet oil does or does not foreshadow an immediate reversal of past tendencies, but a longer perspective is certainly not hopeful for the bloc. The *Memorandum on Energy Policy*, published last August by the European Coal and Steel Community, the E.E.C., and the European Atomic Energy Community, suggests that, from the beginning of the 'transition period' (January 1964), oil as well as coal coming from the bloc should be subject to an overall Community quota, to be fixed annually by the Council of Ministers. And while more recent developments seem to suggest that a common energy policy for the Six is rather more difficult to evolve than was generally assumed, it is quite likely that energy imports from the Soviet bloc will provide one of their first areas of agreement. However, the point to be made here is that it is clearly world developments in supply and demand—and the role of the commodity in the national economies concerned—rather than the Common Market as such which are to blame

for any discrimination which the Soviet bloc comes up against in this field.

Finally there is the question of engineering exports, the item most often mentioned in the Soviet bloc's complaints against the Common Market. Realistically assessed, the question of these products has a theoretical rather than a practical significance for the bloc. (It seems indeed that it is a matter of prestige for the Soviet Union to pose as a potential seller of engineering equipment to industrially advanced nations.) In actual fact as distinct from ambitious theory, the U.S.S.R. is still a very heavy net buyer of engineering products: she imports twice as much as she exports. More important still, her sales are adjusted to the needs of under-developed economies both inside and outside the Sino-Soviet 'camp' and are largely confined to them. This is broadly true also of the other countries of the bloc, with the qualified reservation stated above in respect of the highly industrialized core of the Central European region. Therefore in this field also, Common Market or no Common Market, there is hardly any serious probability that the existing pattern of trade will undergo any substantial change in the foreseeable future.

Possible economic counter-action

This last point provides a convenient 'peg' for a few remarks on the scope for any effective counter-action—economic counter-action, that is—against Western European integration, which is open to the Soviet bloc, and in particular to the U.S.S.R. It has been the consistent policy of the countries of the bloc to base their trade with the West on requirements connected with their own economic growth, above all on their needs in the field of the most modern equipment, preferably integrated in complete production units and embodying the most advanced technology. It was the gradual lifting of Western embargoes on the export of equipment to Communist countries that made possible their policy of buying such equipment, and this has stimulated East-West trade since the second half of the 1950s. And it was this policy which brought about the concentration of East-West trade on the Big Four, seen as the source of such equipment and know-how. It is not surprising that for some retarded branches of Soviet industry, marked out by the Khrushchev administration as a first priority for modernization, the share of West European imported equipment is signally high: a good case in point is the chemical industry, for which about half the equipment bought from abroad comes from the Big Four. But the fact that the U.S.S.R. and the rest of the bloc have shaped their trade in this way leaves them with little elbow-room for manœuvre at the present juncture. The fast development since the mid-1950s of trade with the Federal Republic of Germany based on Soviet purchases of up-to-date German machines (West Germany takes first place in the Soviet list of Western suppliers of equipment) runs para-

doxically parallel to the mounting political offensive against Bonn, and this well illustrates our point.

The essence of the position resulting from such trading tendencies is the fact that the bloc, and more specifically the U.S.S.R., now have but few alternatives left in any attempt to find adequate substitutes for the European Big Four. Overtures recently made to Japan point to a search for such alternatives. It is not the first time that the idea of attracting Japanese equipment on credit, especially for the development of the Soviet Far East, has come to the minds of the Soviet leaders and, in more than one sense, is luring Japanese industrialists: but, for various reasons, the feasible scale of such a redirection of Soviet trade should not be overestimated. (The assumption is of course implicit in our argument that the potential major substitute for the European Big Four—namely the U.S. supply and credit market—remains *de facto* closed to the bloc in the future as it is now.)

A further generalization might perhaps be ventured. What must be particularly perturbing to the U.S.S.R. and her companions in the prospect of the consolidation of the Common Market is the implied threat of a weakening of their overall bargaining position *vis-à-vis* Western Europe. It must be borne in mind that this position has been effectively—but, one could say, artificially—strengthened by the Soviet-type mechanism of trading: that is, by the State monopoly of foreign trade, combined with a tactic, on the whole skilful, of cashing in on competition between the capitalist countries themselves. But this is an intrinsically weak position. Its weakness is due in the first place to the basic fact that while East–West trade constitutes about one-fifth of the total trade of the Soviet bloc, it is only a marginal fraction—about one-twenty-fifth of the total—of Western European trade. Furthermore, the commodity pattern being what it is, the bloc suffers from the long-range trend in the world market which works distinctly against the seller of primary produce. The U.S.S.R. is known to be reluctant to part with the gold she mines: hence her considerable sales of this metal, by now a normal feature of her balance of payments policy, are a sure indication of her difficulties, in trying to earn a minimum of the hard currency she needs by pushing into a buyer's market whatever goods she can mobilize in her economy. The continuous decline of the Soviet bloc's trade surplus with Western Europe, which was still large in the recent past, is another symptom: in fact, when proper readjustments for comparison are made in the usual statistics, it is probably by now non-existent. (It is noteworthy that the bloc's earnings of Western European currency have also to pay for supplies of materials from some non-European regions.)

One or two of the bloc's remedial counter-measures in the face of Western European integration can by now be considered. A quite understandable one is the effort to substitute, wherever possible, intra-bloc

commodity exchanges for Western European supplies; but, from what has been said above, the limitations to this drive should be sufficiently clear. (Incidentally this writer, for one, does not share the rather widely accepted view that an organizational tightening of the Council of Mutual Economic Aid is primarily the bloc's answer to the Common Market: the bloc's economic integration has a momentum and a logic of development of its own, which postulates for a group of *planned* economies a movement towards an overall *plan*.) Another counter-measure is the promulgation in the U.S.S.R., and also in Hungary, of a double-column tariff, combined with the threat of applying maximum rates against those States who refuse to reciprocate an offer of most-favoured-nation treatment. But tariffs have no place as an instrument in decision-making of the Soviet type on foreign trade: it is essentially a matter of arbitrary fiats uninfluenced by manipulation of cost through custom duty. Indeed the fact that this threat has been resorted to by the U.S.S.R. and other members of the Soviet bloc seems to betray an awareness of the lack of really effective means of counter-action, even a sense of helplessness.

Under such circumstances it is not really surprising that the Soviet bloc tries to fight Western European *economic* integration with *extra-economic* weapons. To this category belong attempts to mobilize world opinion through the Soviet proposal of a world trade conference, and also to exert pressure through an ideological-political campaign against the Common Market. However, the cautionary remarks made at the beginning of this article must be re-emphasized; it would appear to be a too-far-reaching simplification of the issues involved to assume that the ultimate motivation of this campaign is exclusively economic.

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Cuba and the balance of power

BRIAN BEEDHAM

In a memorable phrase, President Kennedy once said that victory had a thousand fathers. It might be added that victory seldom has its antecedents inspected very closely; when a success has been achieved, the winner is far more interested in the exhilarating new prospect ahead of him than in the details of how he got there, and nobody pays much attention to the loser. The victory which Mr Kennedy achieved over Mr Khrushchev

in the Cuban affair (and it was a victory, no matter how modestly and sensibly Mr Kennedy has refrained from using the word) seems to be an example of this process. The consequences, so far, have certainly been exhilarating. Mr Khrushchev seems to have grown appreciably warier about running the risk of war—in Berlin, for instance—and in consequence the argument between the Russians and the more adventurous Chinese has become markedly angrier. But these consequences are, as it were, by-products; it cannot have been primarily for their sake that the United States faced the very considerable danger of nuclear war involved in blockading Cuba. What is a good deal less clear is the nature of the compelling reasons which made the blockade necessary.

It is generally assumed that these reasons were a mixture of the political and the military. The political reasons included Mr Kennedy's inability to retract his pre-crisis statements, on 4 and 13 September, that the United States could not tolerate the arrival of offensive weapons in Cuba, and the fear that, if the presence of such weapons was tolerated, the standing of the United States in Latin America and other parts of the world would be badly damaged. These political motives were undoubtedly powerful. But it is also generally assumed that they were not in themselves sufficient reasons, and that it was the military argument which swung the decision in Washington in favour of a blockade. In other words, as Mr Walter Lippmann put it to a gathering of journalists in Paris on 29 November, offensive weapons capable of delivering a nuclear attack on the United States had to be forced out of Cuba because otherwise 'they would have changed seriously the balance of nuclear power in the world'.

Would they? 'The balance of power' is a vague phrase, but in this context it is clear what a serious change in it would have meant. It would have meant that the nuclear forces of the United States were perhaps no longer in a position to perform the tasks assigned to them, and therefore that the concept of the deterrent—the underpinning of the entire foreign policy of the Western alliance—had been kicked away. Most people will agree that a country is entitled to take very stringent action to prevent such a fatal development, no matter if the preventive action is itself risky and legally dubious. The purpose of this article, however, is to suggest that in the light of the available evidence it is difficult to see that the weapons which the Russians were surreptitiously slipping into Cuba would in fact have had this effect: that they would not, in short, have seriously endangered U.S. nuclear strategy.

To begin with, it is interesting that President Kennedy himself did not talk in terms of an upheaval of the balance of power when he announced on television on 22 October that Cuba was to be blockaded. His complaint then was directed at 'any sudden change' in the deployment of nuclear weapons. But this is not a very enlightening phrase. It is presumably only when a sudden change in the disposition of these arms is

sufficiently big and serious to throw the whole balance of power out of kilter that the kind of action the United States took over Cuba is explicable. One can imagine other, lesser, sudden changes which would not call forth such a response. For instance, the sudden appearance of a squadron of Russian missile-carrying submarines in the South Atlantic would not presumably lead the United States to declare the area out of bounds; nor would a sudden announcement by Mr Khrushchev that he possessed rockets with a long enough range to outflank the American radar screen—an announcement he has in fact made—lead to a world crisis. (These developments might lead the United States to spend more money on her anti-submarine and anti-missile defences, but that is another matter.) Thus one is led back to the original question: whether the particular sudden change Mr Kennedy had detected in Cuba was grave enough to upset the whole basis of his strategic planning.

The answer to this question begins with a comparison between the number of U.S. missiles and bombers capable of delivering nuclear warheads on Russian targets, and the number of missiles and bombers with which the Russians can do the same thing the other way round. (This is a better basis for comparison than the usual distinction between intercontinental and intermediate-range missiles, and long-range and medium-range bombers, because the ability of a delivery vehicle to hit the enemy homeland depends on where it is based, as well as its range.) Four years ago, it will be remembered, a good many Americans believed that the United States faced a 'missile gap' which might leave her helpless if the Russians launched a surprise attack. The major military revolution of 1962 has been the discovery that, if anyone has a gap, it is the Russians.

The estimates published in November by the Institute for Strategic Studies, in its annual survey of the military balance of strength,[1] have not been challenged, and can reasonably be taken by the layman as accurate. These figures indicate that, at the time when the Russians were actually shipping offensive weapons into Cuba, the United States possessed about 375 missiles (Atlases, Titans, and Polarises, plus some Thors and Jupiters) and about 1,500 bombers (B47s, B52s, and B58s) capable of striking at the Soviet Union. The Soviet Union at the same time had probably about sixty land-based missiles and 200 bombers capable of reaching the United States, together with an unknown, but probably small, number of submarine-carried missiles. In terms of the volume of nuclear explosive that could be delivered, this means very roughly a five-to-one advantage or better for the Americans.

And the gap is widening still further since the entry into operational service of the Minuteman missile at the beginning of December. By early 1963, although the number of bombers on each side of the balance-sheet will remain about the same, the number of land-based missiles able to hit

[1] *The Communist Bloc and the Western Alliances: the Military Balance 1962–63.*

the opponent's country will have gone up to between 550 and 600 on the U.S. side, as against seventy-five or so on the Russian side; and there is no reason to think that the Russians will have made up any of the deficiency through seaborne missiles.

It is unlikely that any dispositions Mr Khrushchev could have made in Cuba would have been enough to close a gap of this size. When the blockade of the island was screwed down on 24 October he had introduced some forty-two missiles with a range of 700 or 1,100 miles (the correct figure is in dispute) and the same number of Ilyushin–28 bombers capable of carrying atomic bombs. Work was also in progress on launching sites for a number of longer-range missiles. For any real evening up of the numerical balance-sheet it would have been necessary to put into Cuba several hundreds of this second kind of missile—the longer-range variety—since the shorter-range kind, the ones that had actually entered the island by 24 October, were unable to reach most of the bomber bases and missile sites in the United States. It can be observed, in passing, that the transfer of several hundred such missiles to Cuba would have meant an instant easing of the nuclear threat to Western Europe, upon which they are presumably trained at the moment. (The Russians are thought to have some 600 or 700 missiles capable of reaching Western European targets.) But the real point is that Mr Khrushchev is most unlikely to have intended to deploy so vast a number in that fairly small and highly unstable island.

Pretty certainly the officials in Washington who were most familiar with the strategic balance of power realized that this sort of sensational evening up of missile arithmetic was never in prospect. The Washington correspondent of *The Guardian*, Mr Max Freedman, wrote on 1 November that the Secretary of Defence, Mr Robert McNamara, thought the bases in Cuba did very little to alter what Mr Freedman called 'the grim ratio of nuclear strength' between Russia and the United States. Mr McNamara's second-in-command, Mr Roswell Gilpatric, said on television on 11 November that the Cuban missiles had not affected the 'measurable superiority' of the United States in strategic weapons. But these two officials are military experts. It is quite possible that some of the others who took part in the deliberations were so taken aback by the political implications of the Russian move that they did not weigh the exact strategic significance very carefully. In brief, they may have leaped to the conclusion that any missiles at all in Cuba meant a swing in the balance of power.

In any case, however, it can fairly be argued that simply to tot up the number of missiles with which each side could hit the other is to take altogether too simple a view of the matter. Two other considerations have to be taken into account in assessing the danger presented by the Russian deployment in Cuba. The first is the 'counter-force strategy' to which

U.S. nuclear policy is now to some extent committed. This counter-force strategy means that the Americans' nuclear armoury must be large enough—even after absorbing, perhaps, a Russian first blow—to strike back at and destroy a good many, if not all, of the bases from which the Russian nuclear forces operate. The point of doing this, instead of striking at Russian cities (the 'counter-city' strategy), is to diminish the Russians' ability to let fly a third blow—and a fourth, and a fifth—from untouched airfields and launching pads. But whereas it probably takes only one missile to knock out a city, it takes two or three to guarantee the knocking out of a much smaller target like a missile site. Thus a counter-force strategy requires considerably more missiles and bombers than bombarding cities alone does.

It may therefore be argued that the United States needs her margin of superiority in nuclear weapons, and any inroad the Russians make on this margin (as in Cuba) is more dangerous than it looks at first sight. There are two answers to this, a quick one and a more complicated one. The quick one is that, given the truly enormous superiority in both missiles and bombers that the Americans will enjoy by early 1963, the number of nuclear weapons which Mr Khrushchev actually placed in Cuba, or was likely to have placed there if he had not been stopped, was still too small to have made any serious difference. The more complicated answer is that, if the Russians had intended to aim their Cuban missiles at U.S. nuclear bases and not U.S. cities, they in turn would have been caught up in the complications of a counter-force strategy. Hitherto it has seemed pretty clear, from the smallness of the forces they have chosen to build, that they were following the theory of retaliating primarily against cities if nuclear war broke out. To go over to the counter-force doctrine, or even to introduce an element of it, would involve them in allocating two or three missiles for each little target, instead of one for each big one. This is a role for which their nuclear armoury seems simply not to have been designed.

The other special consideration that has to be taken into account concerns the anti-missile radar warning system of the United States. The present radar screen is designed to detect missiles coming from the north. Perhaps the most dangerous aspect of the bases in Cuba was their ability to outflank this screen, and thus deprive the United States of even the thirty minutes' warning she now enjoys. But this factor, too, is not quite as serious as it seems at first. Some time ago Mr Khrushchev declared (and there is no particular reason to disbelieve him) that Russia's big rockets had a long enough range to carry warheads to the United States 'the long way round', instead of by the northern approach. To some extent the ballistic early warning system has thus been outflanked already, without apparently uncontrollable dismay in Washington.

In addition, one would have assumed that the hole in the radar screen

could be closed fairly rapidly; and, according to *Time* magazine on 7 December, this is just what happened. When the presence of missiles in Cuba was discovered, *Time* reports, the U.S. Air Force hastily deployed in Florida three satellite-tracking radars which could have given the nearer parts of the United States five minutes' notice of a missile attack, and the more distant parts (where most of the bomber and missile bases are) fifteen minutes' notice. By way of comparison, the United Kingdom counts on only four minutes' warning of the approach of enemy rockets. The point of this comparison is not to claim that Europeans have better nerves than Americans. It is to suggest that what the nuclear forces stationed in Britain (the V-bombers, some American B47s, and the intermediate-range Thor missiles) can do to adjust themselves to a minimum of warning time, the home-based weapons of the Strategic Air Command in the United States could also do. Doubtless it is greatly preferable that they should not have been put to such shifts; but, if they had been, they could have managed.

If these calculations are correct, the Cuban missiles would not have seriously affected the Americans' great numerical superiority in nuclear weapons; or completely ruined their early warning system; or required them to change their strategic doctrines. None of this, of course, means that American intervention was not justified. The discovery of the missiles represented a sudden, and highly uncomfortable, new factor on the military scene. There were also non-military motives for intervening, involving both Mr Kennedy's relationship with domestic public opinion and the prestige of the United States in the world at large. But it might be best for analyses of the Cuban affair to put the emphasis on these reasons for acting, rather than on a possible reversal in the balance of military power.

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Race relations in independent Africa: an African view

ABIOSEH NICOL

As a West African, I have lived and worked for periods in Nigeria and in Sierra Leone, my home. I have also served on national and international committees and visited Ghana, Liberia, Senegal, Gambia, the Ivory Coast, and, latterly, the East African territories and Madagascar; I have talked with African leaders and white residents in all these countries. It was from this moderately wide background that about three years ago I was asked to write an article on black–white relationships in Africa, advising white people (Europeans, as all whites in Africa are called) how best to work with their African subordinates or assistants. The speed of change in Africa has been so great that the more important and relevant subject of Europeans working with or under Africans has now become equally, if not more, significant.

Two African Ministers on either side of the continent have expressed themselves quite clearly and forcefully on the question. Jomo Kenyatta in East Africa has said that Europeans who are not prepared to address Africans as Bwana (Sir) should leave Africa. The Hon. John Nelson-Williams, a Sierra Leone Cabinet Minister of the younger generation, has also remarked, 'I wish to reiterate the Government's tribute to those fine, dedicated, and genuine expatriates who have been realistic enough to understand, accept, and subject themselves to, and co-operate with, their new masters, the Africans whom they faithfully serve.' It should thus be clear to all Europeans working in the independent States of Africa that in the course of their duties they must come for brief or long periods directly or indirectly under the command or the influence of individual Africans.

To someone fresh from Europe or America who has been used to respecting rank and position rather than the individual holding that rank, it is not at all difficult to conform to the sort of respect on which senior Africans at present insist, but for those who have lived long in Africa—and long may be anything from nine months to thirty years—and who have been used to equating a black face with inferiority, it is difficult to change suddenly and give respect to people normally classed as servants.

This article is written by an eminent African who wishes to use a *nom de plume*. It is printed here as throwing an interesting light on the African view of black–white relations in independent Africa. *Editor.*

It is better for such people to leave Africa or alternatively to cross over to Portuguese Africa, Rhodesia, or South Africa.

The situation is not too difficult for the established and senior Europeans in the civil service, Army, Church, or commerce who are on the verge of retirement after a successful career. They know that their time is limited. They are sensible men who wield, understand, and accept authority and they are used to their place in the hierarchy. Their task is usually to abolish their own jobs or to find Africans to replace them and quite often they succeed in this. In any case they are due to return home in a year or two, with decorations, good pensions, and, if they so desire, good jobs.

It is the lower strata of Europeans who have most difficulty in adjusting themselves to the new situation. They are old enough to remember when African Cabinet Ministers were clerks or school teachers. They remember the time when at departmental conferences all the faces were white or, if there was a single black member, he was usually someone wise enough to know his place. They may even have been used to working with one or two Africans who were of noble blood or of great wealth. But for them the newly arrived African is too difficult a mouthful to swallow. The swiftness of the change-over has left them dazed. Occasionally within five years of an expatriate official recommending an African for dismissal or demotion or even prosecution, he may find the same African as his superior. It is only human to expect that he will sometimes fail to adjust to the new situation. Again, a European who has invested his savings in an African country and who looks forward to finishing his period of service and retiring in that particular country may suddenly, with independence and the establishment of an African Government, find his post in danger of being Africanized. He may be too old to start elsewhere in a job of comparable importance. He may have children at expensive boarding schools in Europe whom he cannot maintain on his pension, savings, or retirement allowance. He sees his African deputy practically waiting on the doorstep to take over his job. He knows that his Cabinet Minister consults his deputy over his own head. He sees his recommendations occasionally ignored. He has to defend decisions in the shaping of which he was not asked to take any part, or in which he does not believe. The only consolation he may have is that he is in exactly the position in which isolated educated Africans found themselves ten to twenty years ago when they were in all-European circles.

Need for courtesy

The first requisite for Europeans working under or with Africans is the practice of constant courtesy. This will sound superhuman to those who have lived in Africa for any length of time. It is extraordinary, on the other hand, how a single act of discourtesy may ruin a whole carefully

prepared scheme or wreck a European's career by suddenly bringing back to the memory of the individual African colonial indignities suffered in the past by him or members of his race. It will surprise many to know that one of the characteristics attributed to Europeans by Africans in the past has been that of discourtesy, so much so that the handful who showed any courtesy to Africans were usually well known. With independence, discourtesy on the part of the white foreigner to a senior African, or to a junior African in his presence, is one of the surest ways of gaining disfavour.

Arrogance is the sole explanation given by most Africans for European discourtesy. There are, however, many others—tiredness, loneliness, frustration, homesickness, and difficulties in communication. Two brief examples may be cited. A pregnant woman was once spoken to very sharply at a clinic by the white doctor in charge. She went home and told her husband, who happened to be the Minister of Health in the territory. He went immediately to the clinic to investigate and asked to see the doctor. He was ushered in by the junior African who of course knew him. The doctor lost his temper and pushed the Minister out of the room. In all the investigations, rumours, and reports which followed this incident certain points were clear. The doctor was very tired and overdue for leave. He was at the end of his tether and had reached a point where he simply did not care; soon after, however, he recognized the gravity of the incident and was extremely apologetic. It may have been that he had not properly registered that the African was a Cabinet Minister, since he was simply dressed and had a quiet but not obvious air of authority. His wife also was simply dressed and could have been the wife of a clerk. After long negotiations the Minister agreed to overlook the incident, but the doctor's contract was terminated by a senior European Administrator who felt it necessary to make clear to the other Europeans in the territory that important Africans must be respected.

The second incident was that of a European Agricultural Officer stationed in a remote district, who had been refused permission by his African senior to visit the main town twice a week for his provisions, because the latter thought that this was unnecessarily often. He had been alone in the remote village for some time, boiling with resentment over what he felt was an unfair decision. When the senior African called on inspection a few weeks later, the European refused to give him the keys of the village rest-house where he should have spent the night. The European head of department recommended termination of the Agricultural Officer's contract, but a predominantly African board which investigated the incident recommended that the European should be sent on two weeks' local leave and that at the end of that time he should be given the opportunity to apologize. This he did. These two instances of tiredness and loneliness, perhaps bringing to the surface a resentment of black

authority, illustrate the cause of many of these unsavoury incidents.

Another important general requirement for white foreigners who are sent to work in an African territory is that they should make it their business to be able to recognize all the important persons in the territory. If a European's position is of sufficient importance, he should arrange an appointment to call and introduce himself or be introduced to senior Africans. If he is succeeding another European his predecessor should introduce him before he takes over, not only to official Africans or Cabinet Ministers but also to some of the prominent local people, such as officers of the Chamber of Commerce, the local Rotary Club or its equivalent, and to Africans who are known to be international in outlook and sympathetic towards white people. It is also important for other white people in junior positions who are unlikely to meet top-ranking Africans socially to be able to recognize them, since they may meet them in the course of their duties and when they do so they must show proper respect.

Treatment of African visitors

Attempts to be friendly with senior Africans should be tactful. It is definitely not helpful to tell stories of pre-colonial days or of one's servants. It is also widely remarked that Britain fails to give V.I.P. treatment to important African visitors, in marked contrast to their experience in European countries, especially in Eastern Europe and in the United States. A senior African, if he visits any of these countries at the invitation of their Government or of an organization, usually has transport, entertainment, and a guide provided. This may be provided in Britain for African Prime Ministers, but not for most other senior Africans. The Foreign Office, the Commonwealth Relations Office, and other British Ministries and private organizations should realize that they have in the past fallen short of African expectations. In this regard, business firms are honourable exceptions; to them goodwill is worth while and they do not hesitate to try to gain it.

To quote an example, an African recently had two engagements, one in Switzerland and one in Britain. That in Switzerland was more casual. He was asked to ring a certain organization and introduce himself, which he did. A car was sent for him and he was entertained at very short notice to lunch at a good hotel by some of the leading officers of that organization; he made a short speech telling them about conditions in his country. He then crossed over to Britain where he had a long-standing engagement to speak to a British organization. He had taken some considerable trouble in preparing his speech, since he regarded this as far more important than his Swiss one. He rang the organization on arrival in London and was asked whether he would be coming to the meeting by bus or by tube. He was a little taken aback at this casual inquiry but replied that he would arrive by taxi. He was given directions. He arrived some minutes late be-

cause he had been confused, had lost his way, and had run up a large taxi fare. He was short of British money and could not tip the taxi driver properly, and the latter insulted him. He was thus in a bad temper when he arrived. No one met him at the door. He was later given a sandwich lunch, standing up; at the end of it, quite tired, he gave his long speech. He was afterwards shaken by the hand, thanked, and left to find his way out of the building back to his hotel.

On his way back, he contrasted the reception he had had in the two countries. He did not realize it, but the reason for the difference in treatment may simply have been that in Britain, belonging as he did to the British Commonwealth, he had been treated as the British treat themselves, without warmth or fuss. This is where a fundamental mistake is made. Even though African countries are British, their citizens are still strangers to Britain and do not regard her as their home country. They regard Britain almost in the same way as they regard Yugoslavia, Switzerland, or the United States, that is, as countries inhabited by white people; but on the other hand they expect a little more hospitality from Britain than from the others because they feel that they belong to a Commonwealth of which Britain is the senior partner. In addition, some Africans who have been students in Britain, with memories of the colour bar, now expect that something should be done to make up for this treatment.

Need to maintain confidence and respect

In British, or English-speaking, Africa it must always be remembered in the present changing situation that some Africans still have memories of the straight dealing of British officials, missionaries, and traders. Africans still use old-fashioned phrases such as 'an Englishman's word is his bond', an Englishman in this case being anyone from Britain. This should be remembered by Europeans who now go out to these independent territories and who may occasionally be tempted to dabble in rather dubious business practices. They should remember that there are districts and towns where British commercial firms and administrators have left long and honourable reputations for fairness, courage, and friendliness. They should try to build on that heritage and not give way to the temptation of getting rich quickly or closing a business deal in a manner which falls short of complete integrity. In London, when a coloured person is involved in a drug case or one connected with women, the whole coloured population feels a temporarily increased hostility in trains, hotels, post offices, and buses, and in Africa also, when a European has been discovered in sharp practice or has been sentenced to imprisonment, there is a temporary loss of confidence and respect for the whole white population.

It is now the case that local Africans are invited to join European-controlled committees and to become directors of companies. Unless

they are Africans of some standing, they are usually regarded by their fellow-countrymen as a front or a tool. In any case they run the risk of being so considered by the aggressively nationalistic or by those who feel they should have been chosen instead. On the whole, it is a good idea for business firms, especially large ones, to have, if possible, a Government-nominated director on their board. If they must choose other Africans than those nominated by the Government they should choose people who are not politically involved, which is still sometimes possible, or who have sufficient wealth not to be accused of serving for the money only. Overseas companies will gain much more benefit if they have African directors who can tell them outright that they may be wrong if they pursue a certain policy than if they have directors whose main purpose is to please them. It may sometimes be necessary for the overseas firm to offer the Government a certain percentage of its shares or open inspection of its books, since most expatriate companies have a reputation with Africans of not declaring all their income for tax purposes or of smuggling goods out of the country. This reputation is in many cases unjustified but it exists.

Complaints against European employees

For the majority of Africans who have always served Europeans, the new relationship of being master is strange and unusual, especially when they now have to give orders to people who they feel are critical or resentful of them or who show little faith in their leadership. The African superior tends either to be aggressively rude or blandly polite, and frequently fails to reveal a particular situation in its entirety to his European subordinate. White officials can gain the confidence of their African colleagues by not gossiping with strangers or friends of their own race about their work or about how indispensable they are to Africans or Africa, but instead by doing their work quietly and efficiently, realizing that they are well paid for it. One complaint which Africans make against some of their European subordinates is that they are lazy and unreliable. When they are wanted in an emergency or for a sudden unexpected spell of work, the Europeans are often either away or have a prior engagement. This is a complaint often heard in Africa. Its background is a conception of the European's life in Africa as one long holiday in the tropical sun, punctuated by short periods of work and justified by the patience with which African inefficiency is borne and by the knowledge that, without the European's presence, the show could not go on.

The African does not understand, or if he understands he refuses to appreciate, the importance to the European of games and fixed social engagements. The European, on the other hand, fails to understand that, for the African, the present situation of his country and his work completely transcends everything in importance and urgency. There have

been most unfortunate cases of appointments being suddenly and explicably terminated because of this lack of understanding. Europe should remember that if they held similar positions in Europe they wc not dream of putting social engagements before work. The case is sir that the work they are doing in Africa is not of sufficient importanc their estimation to be allowed to obtrude into their private lives. It is European failure to respond swiftly to a request for extra work whic one of the driving forces behind the policy of Africanization. It is sig cant that those Europeans who are begged to stay on in Africa, who decorated, offered repeated contracts, and whose posts are not Afric ized are those who are devoted to their work and who usually have li social life.

Again it is significant that the allegations of laziness and unreliabi are exactly those which in the former colonial situation Europeans m against Africans. They result, it seems, from lack of identification v the task in hand and from failure to recognize its importance. This fail may have been produced by the fact that the European officials were as to implement policies or to perform tasks in the initiation of which t had no part, and in which they had little confidence or interest. T was the case with the African under the colonial Government and position is now reversed.

European employees are sometimes placed in an anomalous posit when they are assured in private by African leaders that they are welcc and that their services are appreciated and needed, while in public th same Africans, amid cheers, condemn them, abuse them, and say t must all leave. They may be reassured later and told that the polit situation demands such statements, and that they themselves are exc tions. However, in an atmosphere of this kind where nationalism and rationalism may determine the issue, at times abruptly, the Europ should always ask for an African assistant to train, and he should sist on knowing how long it is intended that his own contract will or his services be required. He will find some African leaders hor and straight forward enough to tell him; others he will find vague evasive.

He must not, however, be too sensitive and nervous; but he sho begin tentatively to look around for some job in Europe and should let African superiors know when he has found one, so that if they feel t want to release him they can then do so with a clear conscience. I essential that he should do this if he has an African deputy or assistant he wishes to stay in Africa, he should offer to step aside to the positio adviser or of deputy to an African, or he should move into the fielc education, where Europeans will be needed for some time to come. T positions of adviser or deputy are likely always to have more permane than those in which a European is exposed as director or head of dep

ment. The same degree of permanence also applies to work under a tech·nical assistance programme.

African leaders themselves should remember that it is within thei power to give security of tenure and position to expatriates. Some of then take Europeans at their previous face-value as self-sufficient, secure, anc confident, and forget that they are now in a position where much of thei career and future is uncertain. This misunderstanding will be quickl dispelled if Europeans have the courage and humility to tell African when they feel insecure, and they will meet with many more instances o kindness than they expect, or, in some cases, are entitled to, considerin the memories of the bitter struggles, humiliations, and indignities re·tained by African leaders who were in the civil service before inde·pendence.

It would be utterly wrong, however, to imagine that African leader want Europeans to be always servile and deferential. All they insist on i courtesy, diligence, and, if the European is sufficiently junior, respectful·ness. They expect good advice which they can then accept or reject Rejection does not necessarily mean loss of confidence; it may mean tha there are other factors, probably political, of which the European i unaware but which must be taken into account.

The European, when leaving his post in Africa, should, whatever th circumstances, hand over properly to his African successor. It is on thi ground that most senior Africans complain about departing Europeans who are said to hand over inefficiently or sometimes with bad grace Quite often the reason is that the European, when the time comes fo him to leave, is emotionally upset and very tired; in any case he feels tha his African successor will be in command of the situation, since his ow countrymen are now in power. He fails to appreciate the nervousness an uncertainty which a man of any colour feels in a new job, whether in hi own home or abroad; he fails also to realize that his African successor wil in the future be more exposed than he was, because he has been protecte by the Colonial Office or by the home company, and has always had th possibility of a transfer, whilst his African successor will now have to sta and face any mistakes which may be made during his career. Employer should as a general rule take care to see that they give enough time an opportunity for Europeans who are retiring to hand over properly to thei African successors.

White foreigners should take the trouble to learn something abou Africa if they want to live or work there and they should try to do s preferably before they arrive. There are admirable courses available, suc as the Oversea Service Course in Britain and those of the Peace Corps i the United States. Europeans should try to suppress the urge to publis unasked-for advice or criticism but instead should pass on such advice o criticism through other Africans. They should remember that they ar

guests in Africa and should behave well. In this regard, the Diplomatic Corps (including the British High Commissions) in independent African countries set admirable examples.

African leaders, on the other hand, should be encouraged not to regard white people as former masters or oppressors, or paternalistic bosses, or as people who once refused them service in restaurants or lodgings in New York, London, or Paris when they were students. They should try to see them as skilled personnel who both earn their living and at the same time help greatly in the development of Africa. They should remember that foreigners, whether white or coloured, who come to work for the good of their country, should have certain minimal things: good housing, a chance to return home for holidays, some friendship, and some hospitality. They should also remember that there have always been and always will be white foreigners who come to Africa for the joy and opportunity of working with them.

Notes of the month

The Congo and Katanga

AT the time of writing (17 January) it seems that Katanga secession is finally at an end. On 15 January Moise Tshombe, just two and a half years after he first declared Katanga an independent State, announced that secession was over and that he was willing to grant United Nations forces freedom of movement throughout the province and to co-operate in bringing about the reunification of the Congo. The authority of the Katanga regime appears to have collapsed completely; Central Government officers are in Elizabethville and Central Government representatives have taken control of customs, currency, and immigration. Though there has been a certain amount of friction between Katangese and Central Government officials, this changeover on the whole has provoked remarkably little protest either inside or outside Katanga. To understand the circumstances in which it took place, however, it is necessary to look first at the situation in Léopoldville and secondly at the negotiations which have been carried on over the last six months. For it was these factors, rather than any change within Katanga, which led to the final showdown.

The Central Government now in power in Léopoldville and led by Cyrille Adoula was formed in August 1961 after a *rapprochement* between the supporters of the late Patrice Lumumba and political groupings led by the Head of State, Joseph Kasavubu.[1] Though initially there was a genuine desire for reconciliation, differences over how to deal with Katanga caused political dispute and this, combined with open corruption, made it impossible to deal effectively with the outstanding administrative and economic problems. As a result Adoula announced on 11 July last year that he was re-forming the Government and cutting the number of posts from forty-one to twenty-five. In doing so he eliminated his chief opponents on both the Left and the Right, including the Lumumbist leader, Christophe Gbenye. This action caused considerable discontent particularly among the old Lumumbist parties, a discontent which was increased by Adoula's obvious dependence upon American advice and support and by the Government's decision to sanction the division of the country into fifteen provinces instead of six. During September and October the Government took severe counter-measures and a number of

[1] See 'New Government in the Congo' in *The World Today*, September 1961.

politicians, including Gbenye, were arrested. When Parliament opened, deputies were openly hostile and a motion of censure was tabled on 23 November. A vote was taken on 27 November after four days in which all manner of pressure was exerted from both sides; though the motion failed by sixteen votes to get the necessary two-thirds majority, the Government was considerably shaken and was forced to release the politicians.

Negotiations between the Central Government, Katanga, and the United Nations took place against this background. At the end of August, when deadlock seemed complete, U Thant, the U.N. Acting Secretary-General, presented his 'Plan of National Reconciliation'.[1] This plan, which was in the nature of a U.N. ultimatum, offered no compromise over the reintegration of Katanga. It insisted, however, on a federal Constitution which would give greater autonomy to the provinces, a Government reshuffle, and a general amnesty. U Thant outlined four phases in which the plan would be applied. In Phase I the plan would be presented to the Central and Katanga Governments. If the Katanga Government either refused to accept the plan or attempted to delay its implementation, then Phases II–IV would come into action. During Phase II all possible diplomatic pressure would be applied; during Phase III economic sanctions would be applied, and during Phase IV 'other measures' would be considered. By the beginning of September, however, both Governments had accepted the plan, and action was being taken to draw up a federal Constitution and to appoint joint commissions to consider the practical details. The Constitution was completed on 27 September,[2] but though the commissions made limited progress it became increasingly clear that the Katangese were doing their best to delay any real integration in the hope that the Government in Léopoldville would collapse, and with it the plan.

By December the situation was critical. U.S. and U.N. officials were determined to prevent the fall of the Adoula Government, not only because it would mean the end of the plan but also because any new Government would be likely to be even less efficient and might be tempted to try to take unilateral action against Katanga. In addition, there was considerable doubt as to whether, for financial reasons, the U.N. operation would be able to continue much beyond March 1963; there was also a possibility that the Indian troops which formed the core of the U.N. force would have to be withdrawn because of the Chinese invasion of India. As a result of all these considerations it seems that the Secretariat decided to apply Phase III (and if necessary Phase IV), and on 14 December U Thant appealed for economic sanctions to be en-

[1] See 'Constitution-Making in the Congo' in *The World Today*, September 1962. For text of the plan see U.N. Doc. S.5053, Add. 13, Annex I.

[2] For full text of the new draft Constitution see U.N. Doc. S.5053, Add. 13, Annex XI.

forced against Katanga. While discussions were still going on, however, fighting broke out between U.N. and Katangese troops and by 4 January the U.N. was in control of the province.

It seems likely that by the end of December, U Thant was prepared to use force as a last resort to ensure the application of his plan. Whether incidents with the Katangese gendarmerie were used as an excuse to apply this force or whether an intensified Katanga attack made some U.N. action essential is not yet clear. Whatever the initial cause, the U.N. campaign was swift and efficient and, with the exception of the unfortunate case of the two Belgian women who were shot by Indian soldiers, casualties were few. In addition, the U.N. appeared to be in full control of the information media and managed to suppress the kind of hysterical propaganda which characterized U.N.–Katanga fighting in 1961. Once the U.N. showed its strength, the opposition caved in and the U.N. troops are now dealing with isolated acts of disorder and brigandage rather than with co-ordinated political resistance. The central Government plan is to divide Katanga into two provinces. The northern half, where the Ba-Luba have always been in opposition to Tshombe's rule, will have its own quite separate Government; in the south Tshombe may still survive in his original post of provincial president.[1]

The end of Katanga secession—even if carried through without further incidents—will not, however, provide a solution for all the problems of the Congo. Whereas in August 1961 there was a genuine desire for reconciliation, there is now bitter hostility in Léopoldville between Government and opposition, and the prestige of Adoula is crumbling. The present Government will naturally look to the United States for the economic and financial support it so desperately needs and this is liable, in turn, to increase tension. If this kind of dispute continues, the Government, even with U.N. assistance, will not have the support it needs to impose its authority and a further period of political instability can be expected.

For the U.N. itself, the reintegration of Katanga should mean that the number of U.N. troops can be reduced, though some kind of military presence is likely to be necessary for some time to come. In more general terms, it remains to be seen whether the reaction to the Congo operation as a whole will be 'never again', or whether the Afro-Asians will try to use the precedent it sets to urge more direct U.N. action in such countries as Angola and South Africa.

CATHERINE HOSKYNS

Agriculture and the Brussels negotiations

THE Brussels negotiations are now (17 January) in serious danger of breaking down, and agricultural policy has remained caught up in the

[1] The new Constitution has renamed this position 'provincial governor'.

struggle to determine the future shape of the European Community—and thereby at least partly that of the whole Western alliance. It was in the early hours of 14 January 1962 that the Six achieved their hard-won agreement on the main lines of a common agricultural policy: and 14 January 1963 saw the beginning of a new attempt to decide the pace at which British agriculture should be brought into line with this policy. On the same day President Kennedy broadcast his State of the Union message and President de Gaulle delivered his version of the state of European union.

The British Government had long since accepted that British agriculture must eventually conform to the common policy, but deadlock had been reached over the demand, first made in October 1962, that the United Kingdom should abandon her present system of agricultural support immediately on joining the Community. For all practical purposes, this would have meant no transition period whatever for British farmers, as well as an abrupt rise in retail food prices. In December a ministerial study group was set up, under the chairmanship of Dr Mansholt, to take a fresh look at the effects of the change-over on the United Kingdom. Its report was completed on 15 January, and was due to be discussed in detail on 17 and 18 January, but it may now prove to be of no more than archival interest. The only progress made towards solving the transitional problems was Mr Heath's offer on 15 January to make sure that British agriculture (but not horticulture) would be in step by 1970.

The two conflicting views of Europe's long-term role in food production and trade have been underlined in statements on both sides of the Atlantic. The United States has continued to urge the E.E.C. 'to maintain moderate internal price levels and liberal trading practices', as Mr Orville Freeman, U.S. Secretary of Agriculture, told the O.E.C.D. Agricultural Committee on 19 November 1962, and has recognized 'that the United States must also undertake comparable obligations'. In his State of the Union message, President Kennedy pointed out that 'neither we nor the members of the European Common Market are so affluent that we can long afford to shelter high cost farms or factories from the winds of competition, or to restrict the channels of trade with the other nations of the free world.'[1]

The United States is in fact trying to put herself morally in a strong position. If its wheat programme, already accepted by Congress, is accepted by the farming community, the Administration believes the American wheat surplus can be eliminated in about four years.

The Administration has also indicated that it is ready to bring non-agricultural considerations into the reckoning. On 8 January 1963 Mr Freeman told the National Council of Farmer Co-operatives that in 1962

[1] *New York Times*, 15 January 1963.

United States agricultural exports to Western Europe were approximately equal to the trade deficit in the American overall balance of payments. 'This deficit was incurred primarily to meet our security and assistance commitments in Western Europe and other areas. Any sizeable cut-back in the volume of our agricultural trade would seriously impair our ability to maintain these commitments.'[1]

Such a threat seems unlikely to have any direct effect on France, the principal proponent of the view that agricultural production within the Community can be allowed to rise to the exclusion of imports. How far the remaining five members of the E.E.C. would respond, and subsequently bring pressure to bear on France, must depend at least partly on the political strength of their farmers. Germany, for instance, has many of the high-cost farms referred to by President Kennedy; but, as Dr Gerl of Bonn University's Institute of Agricultural Policy and Marketing told the 1963 Oxford Farming Conference, the mere fact of a team of experts carrying out a study of the probable effects of grain-price reductions caused an uproar in German agriculture.

The German Government is therefore in considerable difficulty. To satisfy its own farmers, it should press for high prices for cereals. But Mr Freeman has expressed the opinion that, if the Common Market wheat price is fixed at the German level, France would be encouraged to put down another 6 million acres to wheat. This would greatly augment the Community's threatened surpluses and it might be considered that Germany had acted against the trading aims of the U.S. Administration. If Mr Freeman's words are not empty, this could result in the United States reconsidering her other commitments to Germany.

In France, M. Pisani has continued to lead his farmers to look on the European market as theirs, and President de Gaulle at his press conference insisted that it was imperative that the Common Market should provide French agriculture with outlets to match its production. How far the possible outlets for French produce will contract as a result of this week's moves is at present impossible to forecast. If the negotiations with Britain are broken off, any chance of France winning a big share of the British market will recede into the distance. If the French attitude to her five partners results in the Community itself being split, the opportunities for French farmers will be reduced still further, and the Government will be faced with enormous subsidy bills.

Should the Community not be split, it is in any case far from certain that France will get all her own way over agriculture, because the whole common agricultural policy may be called into question. A report, published in the November 1962 issue of the German journal *Agrarwirtschaft* under the signature of Dr H. B. Krohn, head of the studies and statistics division of the Direction Générale de l'Agriculture of the

[1] *The Times*, 9 January 1963.

Common Market, raises the whole issue.[1] The fact that the report was kept secret for some time and the manner of its ultimate publication have provoked charges of political manœuvring from which the Commission in Brussels may not emerge without some damage to its prestige.

The Krohn study attempts to forecast the level of supplies on European markets in 1970, both for the Six alone and on the assumption that they are joined before 1970 by the United Kingdom, Denmark, and Norway. Not surprisingly, its predictions echo the Food and Agriculture Organization's commodity forecasts for 1970, which emphasized the trend to over-production in most commodities and anticipated that Europe would increasingly become a source of surpluses. The Krohn report suggests that even an enlarged Community could very easily come so close to self-sufficiency in the next seven years that there would hardly be room for imports from third countries. This would mean that levies on imports —the principal means envisaged for financing the common agricultural policy, including the marketing of surpluses—would be drastically reduced, and the whole foundation of the policy would be shattered.

Outside critics pointed this out long ago. Now that the work of one of its own departments tends to confirm that the Commission may have been on the wrong track all the time, the feeling generated by the crisis in Brussels could cause mounting criticism within the Community. France and the Commission have so far stood together in the strict interpretation of the common policy: they may now have to share a reappraisal which could have repercussions far beyond agriculture itself.

TREVOR PARFITT

Coup d'état in the Republic of Togo

THE assassination of President Sylvanus Olympio in the early hours of Sunday, 13 January, and the overthrow of his *Comité de l'Unité Togolaise* Government in Lomé may result in no more than a period of confused rule while the new revolutionary council seeks to establish its control over the country. On the other hand, it may also disturb the already uneasy relationship between the small States and nervous Governments of West Africa.

Why was the President assassinated? The London *Times* of 14 January observed that he was 'the victim of an army *coup d'état*, but the deeper truth may be that he was a martyr to the unreal frontiers drawn by the colonial Powers in Africa, careless of tribal unities or even of economic realities.' It might equally be said that he was the victim of the violence engendered by local party factions whose leaders, suppressed by his Government, sought revenge against the President and his Ministers and made use of frontier, tribal, and economic grievances to advance their own cause. The existence of a frontier dispute between Ghana and Togo

[1] The report was quoted extensively in *Le Monde*, 18 December 1962.

is not in doubt; nor the fact that it is based on the desire for closer union among the Ewe-speaking peoples who straddle the frontier. But one may question whether this long-standing problem contributed directly to, or is likely to be improved by, the *coup d'état* in Lomé.

The prime agents of the *coup*, which led to the killing of the President before he had time to reach safety in the American Embassy, were members of a small group of officers and N.C.O.s of the army, whose members were allegedly dissatisfied with their conditions of service and pay. They seemed to have been led by M. Dodze (whom M. Olympio had appointed his Chief of Staff) supported by political opponents of the regime, of whom many of the most prominent were either in exile in Ghana and Dahomey, or in prison, or in detention in the more remote northern districts. An insurrectionary council of eight army leaders was formed, under Dodze, Odjolle, and Kossikonuo (an ex-St Cyr cadet), which called on opposition party members to join it. M. Antoine Meatchi, former leader of the northern Union of Chiefs and People, was called upon to return from Ghana. M. Nicolas Grunitzky[1]—the country's first Prime Minister during the days of French administrative rule, until he was defeated in the 1958 elections by Olympio—agreed to return from Dahomey to head a provisional Government. Firmin Abaloo and Anani Santos of the *Mouvement de la Jeunesse Togolaise* (Juvento)—a radical break-away from the *Comité de l'Unité Togolaise*—were released from detention.

The attempt was clearly to bring together as many elements as possible on the basis of a common dislike of the former regime—disgruntled northern chiefs who disliked the entrenchment in power of a small group of southern (Ewe) leaders around Olympio; former conservative opponents of the *Comité* led by M. Grunitzky and his one-time *Parti du Progrès*; and the large number of discontented, younger (Ewe) members of the Juvento. Each section had its particular grievance against the Olympio Government, but the main weight of opposition almost certainly came from the clerks, petty traders, educated smallholders, and junior administrators, who viewed with growing dismay the authoritarian ways of M. Olympio and his somewhat elderly team of Ministers. Originally a youth section within the main nationalist movement, the Juvento broke away after independence in April 1960 and tried to urge on the President a more radical pan-African attitude abroad, and less reliance at home on French financial and administrative assistance and on the elderly members of the *Comité* Government. Hence the admiration with which some of the Juvento leaders looked towards Conakry and Accra, and the readiness with which they drew moral (and one may suppose financial) support from Ghana. The power of M. Olympio and his narrow circle of Ministers has thus been broken by those whom his

[1] M. Grunitzky's sister married M. Olympio.

Government did its best to suppress, first by legal devices—as in the disqualification of Juvento candidates in the 1961 elections leading to Olympio's appointment as President—and then by penal measures against individual leaders. Now these former Ministers, in their turn, have been arrested, or (like M. Mally, Minister of the Interior, and M. Savi de Tové, who managed to combine being President of the Assembly with his appointment as Ambassador to Bonn) have fled to Dahomey.

It is possible to argue from this shift in power that the new Government in Lomé (if it coheres) is likely to draw closer to Ghana, whose Government gave many of its members shelter. It might also be argued that, in time, the two republics will enter into some form of union. And there are excellent reasons at first sight why this should take place. It would unite the Ewe people hitherto divided between southern Togo, the southern section of the former United Kingdom Trust territory, and the south-east district of the former Gold Coast. In 1957 the Gold Coast absorbed the United Kingdom Trust territory, with which it had been administered, to become the independent country of Ghana; a further union between Ghana and Togo would widen still further the area of Ewe unity. Although Togo would lose her associated status with the European Economic Community, the economic life of the small republic could be enriched by association with the greater resources of Ghana: Lomé and Keta (in south-east Ghana) were at one time twin towns nourished by a common trade until the quarrel between Nkrumah and Olympio put an end to the thriving commerce between them. A similar relationship might develop between other towns and districts once the frontier was abolished; and both countries could draw on the potential wealth of the Ghana Volta River Project (close to the existing boundary). The economic and administrative difficulties of a union between former French and former British colonies are not insuperable, as the Cameroun republic has shown.

Argument along these lines has been urged in Ghana by the ruling Convention People's Party for more than a decade; and in recent years a section of Juvento has entertained the idea, if only because of their opposition to the Olympio Government and their need for outside support. Its advocates were always opposed, however, by a strong counter-argument, namely, that a union of Togo and Ghana would 'destroy the Ewe nation', since it would sap the strong sense of Ewe unity based on an Ewe homeland: its peoples would suffer the fate of the lady from Riga, and those who warned of such dangers could point to the hungry appetite of the Ghana tiger under CPP control. Adjustments to the frontier were recognized as necessary but (it was argued) they should be by way of detaching the Ewe-speaking areas of Ghana and thus enlarging the Ewe homeland in an independent Togo. Thus, when the people of the former United Kingdom Trust territory were asked in 1956 (in a United Nations super-

vised plebiscite) to vote on their future, a majority of the Ewe population in a number of southern districts voted against union with a future Ghana. (It was only because a substantial majority of the northern peoples of the Trust territory, whose ethnic ties lay to the west with the Gold Coast north, voted *for* union, that the United Nations eventually agreed to the integration of the whole territory into an independent Ghana.)[1] Ewe unrest in Ghana and the flow of refugees to Lomé (many of whom must have met, *en route*, refugees from the Olympio Government on their way to Accra) stemmed partly from the repressive measures of the Ghana Government against tribal unrest in general, partly also from the desire among the Ghanaian Ewes for union with an independent Togo.

There are other difficulties ahead both for the new Government in Lomé and for those who would like to see the ending of the quarrel between Ghana and Togo. M. Grunitzky (if he continues in office) is unlikely to look kindly on the CPP, either by reason of his own cautious, conservative temperament, or because of the record of the Ghana Government which in earlier days supported Olympio against him. From the Ghana Government's point of view, close association with the new Government in Lomé may be avoided for some time to come if only because of the manner in which it came to power. Fresh elections may help to legitimize the new regime; but assassination is still murder, and it has brought strong condemnation from other African leaders. M. Sekou Touré proclaimed three days of official mourning for M. Olympio, and stated that 'Quels que soient ceux qui ont commis cet acte odieux, ils sont les ennemis permanents de la liberté et de l'unité africaine.' If, as now seems unlikely, some of the conspirators were encouraged or helped in Accra, it is none the less difficult to believe that President Nkrumah would have approved such an act. Plans may have gone awry, and a peaceful revolution may have slipped into assassination to the dismay of those who wanted it: but the result is plain to see, and it has horrified a number of African leaders. Other difficulties may also arise. The new regime may be unable to maintain order with the small number of forces at its disposal. Ghana is not the only neighbour of Togo, and the Dahomey Government under President Maga has already taken precautionary steps to assert its own interest in future events. France, too, is hardly likely to disinterest herself from what happens to her former protégée. A defence agreement was signed in 1960 between the two countries, and France undertook to protect the 'territorial integrity' of the Togo republic—a phrase which could be interpreted very widely.

[1] The figures were as follows:
For union with the Gold Coast—Northern section, 49,119 votes; Southern section, 43,976; Total, 93,095.
Against union with the Gold Coast—Northern section 12,707 votes; Southern section, 54,785; Total, 67,492.

One lesson ought to be drawn from the Togo affair, but is unlikely to be heeded by other Governments. One man, with a gun and a bullet, can end the life not only of an individual but of a regime. Thus it is necessary to minimize the chances that this will happen. One method is to suppress as many points of danger as are within reach of repressive legislation: the other way is to offer alternative, legitimate means of expressing discontent in the hope that violence will not be used. The Togo assassination points to the impossibility of a total policy of suppression: but how many leaders are prepared to try the alternative?

DENNIS AUSTIN

ERRATUM: The U.N. Document referred to in the article 'Constitution-Making in the Congo' in *The World Today*, September 1962, should read S.5053.

The Nassau agreement and Nato

GEOFFREY WARNER

THE most important decisions affecting NATO during 1962 were taken, not at the alliance's Council meetings in May and December, but at the meeting between President Kennedy and Mr Macmillan, which took place at Nassau in the Bahamas from 19 to 21 December. The purpose of this article is to offer an interpretation of what took place at Nassau and an assessment of its possible effects upon the immediate future of NATO.

There was, of course, far more at stake at Nassau than the future of the *Skybolt* missile; the meeting marked the final onslaught by the United States Government upon Britain's role as an independent nuclear Power. Although it had roundly condemned the French Government's nuclear defence policy on several occasions during 1962, President Kennedy's Administration had been somewhat equivocal in its attitude towards the British Government's endeavours in the same field. This equivocation even went to the extent of informing the Labour Opposition that the United States was opposed to the independent British nuclear deterrent, while conveying the impression to the British Government that it was still in favour of it.[1] Even when the U.S. Defence Secretary, Mr McNamara, delivered his blistering attack upon 'relatively weak national nuclear forces' at Ann Arbor on 16 June, he felt obliged to issue a statement one week later in which he denied that he had been referring to Britain in his speech.[2] Nevertheless, there can be little doubt that the U.S. Government wanted to 'kill' the independent British nuclear deterrent and that, with the *Skybolt* missile programme in obvious difficulties, the ideal murder-weapon was at hand.

[1] On 6 March, Mr Harold Wilson said in the House of Commons: 'I have spent some time recently in Washington. There is not one person in authority there who thinks that our nuclear deterrent adds one iota to the strength and credibility of the western deterrent' (H.C. Deb., Vol. 655, cols. 228–9). Only six days later, the Secretary of State for Air, Mr Amery, said: 'I, too, have had the privilege of being in Washington recently... Nothing was ever said to me to suggest that there was any change in the United States' attitude to the British deterrent... So far as we know, the United States administration still attaches the greatest importance to Bomber Command and regards it as a valuable contribution to the overall western deterrent' (*ibid.*, cols. 915–16).

[2] *Sunday Times*, 24 June 1962. The full text of Mr McNamara's speech at Ann Arbor is printed in *Department of State Bulletin*, 9 July 1962, pp. 64–9.

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There appear to have been three main reasons for the American attitude. The first was that, in Mr McNamara's words, 'limited nuclear capabilities, operating independently, are dangerous, expensive, prone to obsolescence, and lacking in credibility as a deterrent'. The second was that the British nuclear deterrent was unnecessary and led to a wasteful duplication of resources. As President Kennedy said in a television interview on 17 December: 'We don't want six or seven nuclear Powers in Europe diverting their funds to nuclear power, when the United States has got this tremendous arsenal.'[1] The third, and perhaps most important of all, was that the United States wanted to end the 'special relationship' with Britain which was causing so much offence in Europe, particularly in France. The day before the President's interview, one of his chief advisers, Mr McGeorge Bundy, also made a television appearance. In it he said that, if the *Skybolt* programme were cancelled, the main question would be the best way of organizing the missile forces of NATO as a whole. The United States, he observed, had an interest in her relations with other NATO countries equal to that with Britain. He also made the crucial point that the United States had no fixed commitment to provide Britain with an alternative weapon should *Skybolt* be abandoned.[2]

How was it then that, in spite of this fairly concrete evidence of U.S. intentions, Mr Macmillan emerged from the Nassau meeting with an agreement which the Minister of Defence, Mr Thorneycroft, described as marking 'an imaginative advance in the field of co-operation in the Western alliance' and, at the same time, providing 'that feature of an independent British deterrent which is essential for our sovereign rights to defend ourselves'[3]? The answer can only be: as a result of some really tough bargaining. Mr Macmillan, usually one of the most reticent statesmen in public, disclosed on his return to London that it had taken 'some pressure from us' to induce President Kennedy and his advisers to accept 'what we feel is the right balance within the alliance'.[4] It was even reported that President Kennedy entered the Nassau meeting 'insisting that *Skybolt* was of secondary importance to the Congo and the failure of the western European countries to provide adequate conventional North Atlantic Treaty forces',[5] whereas Mr Macmillan made it clear that he would not discuss the other items on the agenda until the *Skybolt* issue had been settled.[6]

While it was natural that Mr Macmillan, whose entire political future was at stake, should have put up a strong fight, it is not at first sight so clear why President Kennedy should appear to have given in to him. A

[1] *The Times*, 18 December 1962. It is true that President Kennedy was referring to countries which had not yet acquired a nuclear capability, but his point—like Mr McNamara's—applied equally to Britain.
[2] *ibid.*, 17 December 1962. [3] *Sunday Telegraph*, 23 December 1962.
[4] *The Times*, 24 December 1962. [5] *ibid.*, 20 December 1962.
[6] *New York Herald Tribune* (European edition), 20 December 1962.

closer examination of the agreement, however, shows that, although it is an admirable face-saver for Mr Macmillan, it also gives the United States Government most of what it wants. It will be about seven years before the first *Polaris* missiles are supplied to Britain under the agreement and there is at least a chance that, by then, the Conservative Government will no longer be in office. A Labour Government, or even a Liberal one for that matter, is not likely to take advantage of the agreement. In addition, by making an identical offer to France, President Kennedy may well have thought he had ended the Anglo-American 'special relationship' at little or no cost to himself, for he must have known that President de Gaulle was unlikely to take him up on it. But even if the agreement does have to be honoured, it has the advantage that it will not cost the United States a cent, whereas President Kennedy estimated that the *Skybolt* programme might eventually have cost $2,500 million.[1]

At the same time, the British had a card up their sleeve which they were playing for all it was worth, and which could not have failed to alarm the United States Government. This was the scarcely veiled threat that, if the British independent nuclear deterrent were not preserved, Britain would pool her nuclear know-how with Europe and create a truly independent European deterrent. Mr Thorneycroft stated in the House of Commons on 17 December that Mr McNamara communicated the first doubts about the *Skybolt* programme to him at the beginning of November,[2] and it was precisely at the beginning of November that hints about British interest in a European nuclear deterrent began to be dropped. On 4 November, Drew Middleton reported in the *New York Times* that 'the British Government now believes in the establishment of a European deterrent.' The contrast with its previous position is neatly established by the use of the word 'now'. 'Prime Minister Macmillan and his defence chiefs,' the report continued, 'would prefer that Europe find its nuclear arms with the help of the United States. But the feeling in official quarters is that even without such help the European Powers, including Britain, would have their own nuclear system within five years.'

Then, on 4 December, Mr Thorneycroft made a remarkable speech at the Western European Union Assembly in Paris, in which he came closer to President de Gaulle's conception of a European 'third force' than any British Minister has ever done. 'Europe,' he declared during the debate on a NATO nuclear force, 'is potentially not a parish but a world Power, and we must think of her defence along these lines.' Conjuring up a vision of European forces 'deployed on the central German plains or in the Persian Gulf', he went on to declare: 'What is needed for larger projects—and we are talking here of very large projects indeed—is large capital resources and large markets, and it is these attributes which facilitate the solutions which have been reached in Soviet Russia and the United States.

[1] *The Times*, 18 December 1962. [2] H.C. Deb., Vol. 669, col. 894.

Europe could find the same solutions. The combined capital and technical resources of Europe are equal to anything that can be found outside. The problem is how best to use them.'[1] In closed session, he was reported to have been even more explicit, saying that there were two ways of setting up a European nuclear force: by buying the weapons from the United States, or by joint Franco-British production.[2] It is not surprising, therefore, that U.S. officials at the NATO Council meeting in December were reported to be 'concerned about the effect of leaving Britain entirely without a role in the nuclear deterrent strategy; this it is felt may drive Britain into some sort of close association with France in the development of ballistic missiles.'[3]

If these considerations go some way towards explaining the admittedly brilliant compromise reached at Nassau, they do not explain the strong NATO overtones of the agreement. According to the official statement issued after the meeting:

> The President and the Prime Minister agreed that a decision on *Polaris* must be considered in the widest context both of the future defence of the Atlantic alliance and of the safety of the whole free world. They reached the conclusion that this issue created an opportunity for the development of new and closer arrangements for the organization and control of strategic western defence and that such arrangements in turn could make a major contribution to political cohesion among the nations of the alliance. The Prime Minister suggested, and the President agreed, that for the immediate future, a start could be made by subscribing to NATO some part of the force already in existence. This could include allocations from United States strategic forces, from United Kingdom Bomber Command, and from tactical nuclear forces now held in Europe. Such forces would be assigned as part of a NATO nuclear force and targeted in accordance with NATO plans. Returning to *Polaris*, the President and the Prime Minister agreed that the purpose of their two Governments with respect to the provision of the *Polaris* missiles must be the development of a multilateral NATO nuclear force in the closest consultation with other NATO allies.

All the British *Polaris* submarines to be built as a result of the agreement —together with 'at least equal United States forces'—would, therefore, 'be made available for inclusion in a NATO multilateral nuclear force'.[4]

While it may be argued that the 'assigning' of strategic nuclear forces to NATO does not alter the fact that ultimate control remains in national hands—as with the *Polaris* submarines assigned to NATO last May[5]—the implications of 'a multilateral NATO nuclear force' are clearly much

[1] Text supplied by W.E.U.
[2] *The Guardian*, 5 December 1962.
[3] *The Times*, 13 December 1962.
[4] *ibid.*, 22 December 1962.
[5] See the text of Mr Rusk's interview with Mr Kleiman of the Columbia Broadcasting System on 6 May 1962, printed in *Department of State Bulletin*, 28 May 1962, pp. 863–4.

greater. Such a force would be under the control of the alliance as a whole and the decision to use it would be a collective one. The United States Administration has long paid lip-service to the idea of a multilateral nuclear force, and it was thought at one stage that it was going to put forward serious proposals on the subject at the NATO Council meeting in December. Secretary of State Rusk, however, made it clear in a press conference on 12 December that his Government had not 'put forward a precise plan in this respect',[1] and close examination of official U.S. statements shows that the Administration had no great enthusiasm for the proposal and intended to leave the initiative entirely in the hands of the allies. In a speech to the Canadian Parliament on 17 May 1961, for example, President Kennedy said: 'We look to the possibility of eventually establishing a NATO seaborne force, which would be truly multilateral in ownership and control,' but he was careful to add: 'if this should be desired and found feasible by our allies, once NATO's non-nuclear goals have been achieved'.[2] More recently, Mr McGeorge Bundy told the Atlantic Treaty Association on 27 September 1962 that while

> it would . . . be wrong to suppose that the reluctance which we feel with respect to individual, ineffective, and unintegrated forces would be extended automatically to a European force, genuinely unified and multilateral, and effectively integrated with our own necessarily predominant strength in the whole nuclear defence of the alliance, . . . arrangements for assistance and co-operation in such an enterprise would, of course, require full consultation and approval by all appropriate agencies of our Government. . . Moreover, we ourselves cannot usurp from the new Europe the responsibility for deciding in its own way the level of effort and investment which it wishes to make in these great matters.[3]

Any suggestion, therefore, that the Nassau proposal to set up a multilateral NATO nuclear force came from the United States in order to reduce the independence of the British *Polaris* force seems a little far-fetched. In any case, it is contradicted by the official statement, which says explicitly that the proposal came from the British. This point was emphasized by Mr Thorneycroft when he returned to London on 22 December. 'It is not an American proposal,' he said. 'It was our suggestion—I want to rub that in.'[4] Taking this into consideration, however, the mystery is deeper than ever, for the British Government has always been, if anything, even more hostile towards the idea of a multilateral NATO deterrent than the United States Government. Mr Macmillan himself made a classic criticism of the proposal in the House of Commons on 30 May 1960:

[1] Text supplied by U.S. Information Service.
[2] *Department of State Bulletin*, 5 June 1961, p. 841.
[3] *ibid.*, 22 October 1962, pp. 604–5. [4] *Sunday Times*, 23 December 1962.

I have heard some talk of handing the deterrent over to NATO. What exactly does this mean? . . . If the deterrent is to deter, its immediate use in counter-attack against aggression must be credible to the potential aggressor. Without that, it is purposeless. Are we so sure that, with fifteen representatives, whether ambassadors or ministers, in NATO acting under the unanimity rule, the deterrent would continue to be credible? There might be one finger on the trigger, but there would be fifteen fingers on the safety catch. I hope, therefore, that we shall not be asked to discuss vague references to strengthening NATO in this respect without considering exactly what this plan means and its effect upon the value of the deterrent.[1]

It may be, of course, that the Nassau proposals for the establishment of a multilateral nuclear force are mere window-dressing and devoid of all sincerity—the sort of thing 'one discusses diplomatically for ten years', as President de Gaulle is reported to have said.[2] But there is another possible interpretation which, if it is still a matter of calculated political advantage, reflects much more favourably upon British good faith. There has been a persistent rumour during the past year that the British Government was trying to make a deal with the French Government whereby Britain transmitted nuclear information to France in return for the ending of French opposition to British entry into the Common Market. Indeed, at one stage, as I have tried to suggest, the British Government appeared, for motives of its own, to be encouraging this rumour. If it ever had any real foundation, the British Government must soon have realized that such a deal would hold few attractions for President de Gaulle, especially after doubts had been cast upon the future of the *Skybolt* programme. But if France could not be won over to supporting British entry into the Common Market by nuclear blandishments, might not other members of the Common Market be induced to give even stronger support to British entry by means of similar blandishments, but in a different wrapping? West Germany, for example, has never wavered in her support for a multilateral NATO nuclear deterrent since the proposal was first put forward by General Norstad in 1960. Italy, too, has repeatedly declared herself in favour of a NATO deterrent—the latest occasion being on 21 December[3]—while M. Spaak, the Belgian Foreign Minister, was, as NATO's Secretary-General, closely involved in General Norstad's original proposals. Another possibility—more remote, certainly, but not without compensating attractions—is that a rift might be caused in the Paris–Bonn axis by a Franco-German disagreement on NATO nuclear policy as a result of Germany supporting a multilateral force and France opposing it.

If the proposed multilateral NATO nuclear force is, therefore, to be

[1] H.C. Deb., Vol. 624, cols. 1002–3.
[2] *Le Monde*, 4 January 1963.
[3] *Daily Telegraph*, 22 December 1962.

taken seriously, what are the prospects for its establishment? Since President de Gaulle's press conference on 14 January, it is clear that France, at any rate, will have nothing to do with it. After a lengthy exposition of the need for a truly independent French nuclear deterrent on the grounds that 'American nuclear power does not necessarily and immediately meet all the eventualities involving France and Europe', the French President went on to reject the American offer of *Polaris* missiles. He gave two main reasons. The first was that 'it really wouldn't be very useful for us to buy *Polaris* missiles, when we have neither the submarines from which to launch them nor the thermonuclear warheads with which to arm them.' No doubt the day would come, he went on, when France would have both submarines and warheads, but it was a long way off and he wondered what the value of the *Polaris* missiles would be by then, especially as France would have produced missiles of her own.[1] 'In other words,' he concluded, 'as far as we are concerned, the matter is not, technically speaking, . . . topical.'

This was really a quibble, however, compared with the second reason, which was that acceptance of the American offer did not fit in with the principle that France must have her own independent nuclear deterrent. 'To merge our forces in a multilateral force under foreign command,' the President said, 'would be contrary to this principle of our defence and our policy.' While it was true that, like Britain, France 'could theoretically maintain the right to withdraw [her] contribution to the multilateral force in a hypothetical situation of supreme importance', he asked: 'How would we do it in practice, in the unparalleled circumstances of the nuclear apocalypse?'[2] 'Moreover,' he went on, 'this multilateral force will of necessity entail a tangle of liaison, communications, and internal interference, together with a blanket of external restraints, to the extent that, if an integral part of it were suddenly withdrawn, there would be a serious risk of paralysing it, just at the point, perhaps, when it ought to be used.'[3]

Lurking behind these statements is de Gaulle's undoubted fear that the Nassau proposal for a multilateral NATO force is merely an Anglo-American device to place Europe in general, and France in particular, in a permanently inferior relationship to the United States. Earlier in his press conference, when discussing the Common Market negotiations, he had expressed strong opposition to 'a colossal Atlantic community, dependent upon and controlled by America, and which would soon ab-

[1] According to data supplied by the French Admiralty to the newspaper *Le Monde*, France plans to have at least three nuclear-powered, missile-launching submarines in service by the early 1970s (*Le Monde*, 1 December 1962).

[2] The French have obviously taken to heart the views of high-ranking United States officials to the effect that 'the British *Polaris* flotilla will not be an independent nuclear force in any future situation their military advisers can seriously envisage.' (*The Times*, 24 December 1962).

[3] *Le Monde*, 16 January 1963.

sorb the European community'. A curious, almost perverse, aspect of this fear is the way in which the French see Britain as an accomplice in American designs. Far from having ended the 'special relationship', the Nassau agreement is seen by French officials as having reinforced it, because British and United States nuclear strategy is now so interdependent.[1]

On the very day that France rejected a NATO nuclear force, West Germany accepted it. At the conclusion of talks in Bonn between Mr George Ball, the U.S. Under-Secretary of State, and members of the West German Government, it was officially announced that the latter had agreed to co-operate in a multilateral force.[2] Initially, there had been some fears that the Nassau agreement might lead to a three-power nuclear directorate within NATO, consisting of Britain, France, and the United States, leaving the rest of the alliance, and particularly West Germany, to provide the conventional cannon-fodder. Mr Ball, however, seems to have charmed these fears away and the West German spokesman described the talks as 'extraordinarily positive'. Much, of course, remains to be settled—including the extent and nature of West German co-operation—but the difference in approach between the two poles of the Paris–Bonn axis is already starkly apparent and is being commented on by the press in both countries.[3]

Discussions of NATO policy sometimes tend to ignore the opinions of the smaller members of the alliance; nothing could be more misleading in the present context. Norway and Denmark, in particular, have always shown a strong aversion to nuclear weapons; this was reflected in their refusal to allow American I.R.B.M.s to be based on their territory in 1958. In a debate in the Norwegian Parliament on 8 February 1962, the Norwegian Foreign Minister, Mr Lange, showed that this aversion extended to a NATO nuclear deterrent. He said that there might be some question about the extent to which such a deterrent would strengthen the alliance's ability to wage war, and declared that there were justifiable doubts about the effects of such an arrangement upon trust in the solidarity of NATO members. He went on to say that, in his opinion, the present division of tasks within the alliance should continue to give a satisfactory measure of security, provided mutual trust continued. Even if it did not, he concluded, 'there is little reason to believe that a separate nuclear force for NATO would give any added security.'[4]

Mr Lange's point about the possibility of a NATO deterrent undermining the mutual trust of members is a very important one. The smaller Powers of NATO have always resented attempts by the 'big three' or the 'big four' to make decisions on their behalf, and the nuclear policy of the

[1] *Le Monde*, 10 January 1963. [2] *The Times*, 15 January 1963.
[3] *Le Monde*, 16 January 1963.
[4] *Norwegian Press Summary*, 9 February 1962.

alliance is among the thorniest of issues. Canada has, on more than one occasion, been the spokesman for those members of the alliance who have felt they have not been consulted and, in this connection, it is significant to note that Mr Diefenbaker—who was, of course, at Nassau—did not seem very enthusiastic about the agreement on nuclear weapons. At a press conference on 23 December, he said that the arrangements made between Britain and the United States concerning a NATO nuclear force 'do not in any way bind other members of the NATO group of nations'. He refused to say whether Canada supported these arrangements, adding that his Government would have to consider them. But, he emphasized, they also had to be considered by members of NATO 'other than the two which arrived at this common understanding'.[1]

In the light of French, Scandinavian—and possibly Canadian—opposition, it is hard to see how the proposed multilateral NATO nuclear force could be set up without seriously dividing the alliance. It is equally difficult to imagine the United States Government—which, as was indicated earlier, has never shown much enthusiasm for the idea until now—pressing on with a scheme which would only add to the existing disagreements within NATO. Moreover, although a multilateral NATO nuclear force is a useful piece of bait to attract support for President Kennedy's European-Atlantic 'Grand Design', it has two overwhelming disadvantages in the light of current United States defence and foreign policy. In the first place, the inevitably long and complicated negotiations leading up to the establishment of such a force will distract the alliance from what the United States Government thinks should be its main objective: namely, the achievement of what Mr McNamara calls 'a conventional option' in Europe. Secondly—and even more important—there can be little doubt that even the remotest prospect of a West German finger on NATO's nuclear trigger would ruin American hopes of an accommodation with the Soviet Union over Berlin and the German question. Strategically, as Mr Ball has admitted,[2] a NATO nuclear deterrent adds nothing; politically, it could well prove a disaster.

[1] *The Times*, 24 December 1962.

[2] 'From a strictly military standpoint,' Mr Ball told the NATO Parliamentarians' Conference on 16 November 1962, 'we do not feel that the alliance has an urgent need for a European nuclear contribution' (*Department of State Bulletin*, 3 December 1962, p. 835).

Recent West German political developments

J. EMLYN WILLIAMS

WEST German politics have been sluggish and unprogressive for some time. In 1961 the political parties were mainly concerned about federal elections, which took place on 17 September,[1] and during the past year the Bundestag dragged on through a 'lame-duck' session, because of the lack of cohesion within the Coalition Government finally established early in November 1961. The much-needed impetus to social and economic legislation is still missing. Nor could it be expected, in view of the mistrust, as to both persons and policies, which was evident in the Coalition Cabinet from the beginning. Most observers were surprised that the original coalition lasted as long as a year, and its successor, set up on 11 December 1962, appears to have little better prospects.

Fundamentally, the political problem facing West Germany today goes much deeper than inter-party negotiations. The Federal Republic is politically in an interim period, waiting patiently for the long-drawn-out end of the Adenauer era—waiting expectantly, but also with a certain amount of uneasy fear as to what will follow.

Dr Konrad Adenauer still presides over a Government made up of the same three political parties which formed the Coalition Government fourteen months ago. These are the Christian Democratic Union (CDU), its Bavarian counterpart the Christian Social Union (CSU), and the Free Democratic Party (FDP). The Cabinet consists of twenty-one members, of whom twelve are CDU, four CSU, and five FDP. But there has been a reshuffle in the meantime, with seven new Ministers, and one Minister has taken over a different portfolio. The most significant change is in the Ministry of Defence, where Herr von Hassel supersedes Franz-Josef Strauss. Von Hassel was until recently Minister-President in the state Government of Schleswig-Holstein. An unexpected appointment was that of Dr Barzel, one of the younger CDU politicians. He replaces Ernst Lemmer, a well-known Berlin politician, who had been active throughout the post-war period in East–West German relations.

[1] See 'Federal Elections in West Germany', in the *World Today*, December 1961.

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The present Cabinet, therefore, is made up as follows (new Ministers are indicated by asterisks):

Chancellor	Dr Konrad Adenauer (CDU)
Vice-Chancellor and Minister of Economics	Professor Ludwig Erhard (CDU)
Foreign Affairs	Dr Gerhard Schroeder (CDU)
Interior	Hermann Hoecherl (CSU)
Justice	Dr Ewald Bucher* (FDP)
Finance	Dr Rolf Dahlgruen* (FDP)
Food and Agriculture	Werner Schwarz (CDU)
Labour	Theodor Blank (CDU)
Defence	Kai-Uwe von Hassel* (CDU)
Transport	Dr Hans-Christoph Seebohm (CDU)
Posts	Richard Stuecklen (CSU)
Housing	Paul Luecke (CDU)
Refugees	Wolfgang Mischnick (FDP)
All-German Affairs	Dr Rainer Barzel* (CDU)
Bundesrat and Laender Affairs	Alois Niederalt* (CSU)
Family and Youth	Dr Bruno Heck* (CDU)
Atomic Energy	Hans Lenz (FDP) (*formerly Minister for Federal Property*)
Federal Property	Dr Werner Dollinger* (CSU)
Economic Co-operation	Walter Scheel (FDP)
Public Health	Dr Elisabeth Schwarzhaupt (CDU)
Minister without Portfolio	Dr Heinrich Krone (CDU)

The Fibag and Spiegel affairs

Behind this Cabinet reconstruction lie two political affairs, which went far to undermine public confidence in the Government. The first of these was the so-called Fibag (Finanzbau-Gesellschaft) case, the main figure in which was Herr Strauss. He was accused of having misused his official position as Minister of Defence in connection with United States building contracts for the Bundeswehr. A special committee of inquiry was voted by the Bundestag on 21 March 1962, and its report was finally approved on 25 October. This exonerated Herr Strauss on all charges.

Hardly had this matter been settled before Government prestige was much more seriously involved in another case. Fibag had concerned only one Minister. The case of *Der Spiegel* incensed public opinion because of the secretive and inept manner in which it was handled by several Ministers, and also because of a general conviction that personal interest rather than the welfare of the State lay at the bottom of it. The head office in Hamburg of this popular news magazine was raided by the

police on the night of 26–27 October 1962, by order of the Supreme Court in Karlsruhe. The grounds for such action were suspected treason and the divulging of State secrets. Such suspicions were based mainly upon an article published three weeks earlier on the NATO manœuvres of the previous September; in this article, 'Fallex 62',[1] the German Bundeswehr was given a low efficiency category. Whether there actually was any truth in the suspicions against *Der Spiegel* has yet to be established. Until now, no charges have been published against the members of the editorial staff, who were detained. And the joint report which the Chancellor requested from the four Ministries concerned (Justice, Interior, Defence, and Foreign Affairs) is still secret.

Popular indignation, of a sort seldom seen in such cases in the Federal Republic, was aroused because of the equivocal attitude adopted by some of the Ministers (for example, Herr Strauss's strange hesitation in admitting any part in the extradition of Conrad Ahlers, one of the editorial staff, from Spain; and another Minister's admission that 'extra-legal' means had been adopted in this instance). The fact that the Minister of Justice was deliberately kept uninformed about the Hamburg police raid until it was actually taking place, even though his Ministry was particularly responsible for such matters, only added to the general dissatisfaction, especially since the Minister of Justice at that time, Dr Wolfgang Stammberger, belonged to the FDP, and the order not to inform him was made by an Under-Secretary in the Ministry of Defence. The West German public was also quick to realize that Government spokesmen refused to make statements, even in the Bundestag, on the plea that the whole matter was *sub judice*; but this did not prevent them (including the Chancellor) from making pronouncements which clearly indicated their conviction that the persons detained were guilty, though they had not yet had charges preferred against them.

It has been maintained that the *Spiegel* affair was *not* a matter in which the freedom of the press was involved. It is true that the West German press today is as free as any other in the Western world. (The reporting on this particular affair has been proof of that.) But the popular fear that the police action was a definite step in the direction of press restriction has great justification. For the vagueness of definition of what constitutes 'treason' (*Landesverrat*) and 'a State secret', as far as the press is concerned, offers an easy opportunity for attempting to control what is published.[2]

[1] *Der Spiegel*, No. 41, 10 October 1962.

[2] According to official definition: 'A State secret is a fact or a piece of information required to be kept secret in the public interest.' Or, again, 'State secrets are information or deeds, the keeping of which from a foreign Government is in the interest of the Federal Republic of Germany. Any person who allows such State secrets to be given to anybody not entitled to receive them or anybody who publishes them is guilty of treason.' It was inconvenient for the Government that such an issue should have arisen at a time when the Emergency Law and other

The *Spiegel* case has proved a 'mirror' of much more than the literary activities of Dr Rudolf Augstein and his associates. It has revealed more clearly than ever before the deficiencies in the existing Federal Criminal Code and has led Dr Bucher, the new Minister of Justice, to speed up the legislation for legal reform which has been before the Bundestag for some time.

The more immediate consequences of the *Spiegel* action were political; it led directly to the break-up of the Coalition Government, which had been in power for one year. The Free Democrats demanded, as one of their conditions for remaining in the Government, the dismissal of Herr Strauss. After long and tedious negotiations, Strauss was finally brought to the position of offering to resign.[1]

In the negotiations leading to the establishment of the second Coalition Government, the FDP also repeated more insistently a demand which it had already made in November 1961. This was that Dr Adenauer should publicly declare the date of his retirement from office. One year earlier, the Chancellor's reply had been that he would withdraw in time for his successor to prepare for the next federal elections in 1965. Now, however, Adenauer allowed his party leaders to be more explicit and to announce that he would be retiring from office in the autumn of 1963.

Dr Adenauer's pending retirement

A great deal of the existing lethargy in federal politics derives from this particular fact, namely that everybody, including his own party, realizes that Dr Adenauer's term of office is drawing to an end. The manner in which this event has been so long delayed is basically responsible for many of the political troubles in West Germany today. There is little enthusiasm for the new Coalition Government, even among its members. If it continues to function for the rest of 1963, it will be largely for the following reasons: the unspoken recognition of the fact that to allow disagreements between the bourgeois parties to lead to an open rift could result in a failure to build a Government strong enough to carry on effectively; and also, the fact that all parties are really thinking in terms of the post-Adenauer elections two years hence.

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related Bills were under consideration in the Bundestag; and one point on which much doubt still remained was that of freedom of the press in abnormal conditions.

[1] This does not mean the withdrawal of Herr Strauss from the political scene. As chairman of the Bavarian CSU, he will be that party's spokesman in the Bundestag. Earlier in the year, Strauss had hesitated whether to leave federal for state (*Land*) politics, and become the new Minister-President of Bavaria, after Dr Hans Ehard's retirement last autumn; but he decided to remain on in Bonn. It is worth noting that despite the Fibag and *Spiegel* affairs, in which the CSU's most prominent leader was involved, that party retained its overall majority in the Bavarian *Landtag* elections on 25 November 1962. Results of these elections were CSU: 108, SPD: 79, FDP: 9, and Bavarian Party: 8 mandates.

Another significant development during the negotiations for Government reconstruction in November 1962 was the fact that, for the first time in the history of the Federal Republic, the question of a possible coalition to include the Social Democrats was seriously contemplated, even by one man who had hitherto never considered them 'fit to govern', namely Chancellor Adenauer. This change in outlook had no practical consequences at the time; but it can have in the future, especially since the SPD has long since ceased to be a marxist party of the old-fashioned type. It is also interesting that the main reason given for the SPD's rejection of the offer to join the Government was that party's refusal to support legislation to alter the electoral system in such a way as would threaten the future existence of the Free Democrats as an effective political party at federal level. Apart from the impatience of some politicians in the CDU and CSU at what they regard as the unreliability of the Free Democrats as coalition partners, there has long been a growing conviction in many quarters that the Federal Republic is definitely moving towards a two-party system. Recent election results suggest that this is so, and that the two parties are the CDU–CSU and the SPD.

How to tide over the interim period until Dr Adenauer's retirement is *the* problem in West Germany today. This would be extremely difficult even under normal conditions, particularly since it may very well involve a change from a *Kanzler-Demokratie* to what it is hoped will be a normal parliamentary democracy. Dr Adenauer has been at the head of the Federal Republic from the beginning. He is still powerful enough to dominate this fifth Cabinet. But his power does not extend so far as to control the main body of public opinion, as it did a few years ago. It is probable that, had he properly gauged public reaction in the *Spiegel* case, he would not have allowed it to develop in such a way that the Government met outspoken opposition from all quarters. Further, Dr Adenauer's refusal to heed his party's requests for an unambiguous statement concerning his successor also adds to present difficulties. Professor Ludwig Erhard is obviously the man for the job, from the point of view of feeling both in his own party and in the nation. But not only has Dr Adenauer never acknowledged this, he has also never made the slightest effort to help Erhard or anybody else to be trained for this highest political office.

The Chancellor has never really been interested in internal affairs. As a result, social and economic legislation has been allowed to pile up during the past few years; and it will be a main task of his successor to remedy this situation. Foreign affairs have always been Dr Adenauer's main preoccupation. He has, in fact, been his own Foreign Minister, regardless of whoever was in charge of that office. A change has been noticeable, however, since Dr Gerhard Schroeder took over in the Koblenzerstrasse in November 1961. This has shown itself in an un-

willingness to follow blindly wherever the Chancellor wanted to lead.

Foreign policy

Dr Adenauer's foreign policy revolves around relations with the United States and France. His attitude towards Britain's entry into the European Common Market has been very reserved. 'Perhaps Adenauer's mildest word (at a meeting of the CDU parliamentary group) was that one must negotiate hard with the British about their entry into the Common Market.'[1] (Mr Macmillan's visit to Bonn in early January 1962 did not achieve much in this direction.)

The Chancellor is still concerned to maintain the closest possible co-operation with the United States, since that country is essential for the Federal Republic's defence, as well as for the defence of West Berlin. But he is also determined to continue the intimate friendship he has developed with President de Gaulle. It has become increasingly difficult for him to remain on the sidelines in the U.S.-French struggle over nuclear armaments and the future concept of Western defence and unity. He does not look with favour on the U.S. proposal for the increase in West German conventional forces (leaving them to be the 'foot-sloggers' of Europe), while other allies develop nuclear weapons. The idea of a nuclear triumvirate of the United States–Britain–France in NATO suggests to him (and to many more Germans) that West Germany is being treated as a second-class Power.

As regards Franco-German relations, these reached a new high level with the exchange of visits during last year between Dr Adenauer and President de Gaulle. The Chancellor made his first official State visit to France in July 1962. On his return, at a press conference in Bonn (10 July), he referred to that visit as a grand reconciliation between the ordinary citizens of the two neighbour States, and it was obvious that he considered this one of the great triumphs of his career. President de Gaulle made his return visit to West Germany from 4 to 9 September, and this was a really historic occasion. He was received everywhere with enthusiasm; his speeches, delivered in German, found a ready response, and his skilful tactics, as well as his personal courage, did much to achieve this success. There was also something more to account for his welcome. President de Gaulle told the Germans what they had long been waiting for; he emphasized that they were once more fully integrated into the Western world. Despite their economic recovery and their membership of NATO and the Common Market, this full acceptance was something they felt they had not yet received. President de Gaulle welcomed the new Bundeswehr as 'brothers-in-arms'; 'if yesterday it was our duty to

[1] *Süddeutsche Zeitung*, 28 August 1962. The Chancellor's uncensored comments on British entry into a West-European political union, given in a television speech, at that time were also definitely unhelpful.

be enemies, today it is our right to become friends,'[1] was the theme of his speeches.

The French President appeared to want to go much farther in co-operation with the Germans than most of the latter themselves desire. They were not certain what he meant by 'giving organic form' to Franco-German co-operation; and many of them reject the de Gaulle–Adenauer concept of the European ideal. They want a broader basis for this, which will include Britain. The French memorandum received in Bonn in mid-September, shortly after President de Gaulle's visit, proposed, among other things, the following developments—closer consultations in foreign policy, in matters of defence and of strategic planning within the framework of NATO, in matters of development aid, especially in Africa, in collaboration between the official press services of both Governments, and in the spheres of education and general culture. Such a programme was to be carried out through regular personal contacts between the appropriate Ministers, officials, and public representatives on both sides.

It was significant that in all his speeches, President de Gaulle made no attempt to place his concept of Europe in terms of historical continuity and that he spoke directly to the German people, rather than through any pronouncement before a representative assembly such as the Bundestag.

During the past year, Dr Adenauer has been much concerned with the possible consequences of a U.S.-Soviet understanding on West Berlin and the question of German reunification, which might react unfavourably upon future national aspirations. This was particularly evident in April 1962 at the time of the U.S.-Soviet preliminary talks in Washington. The publication of the conditions for those talks contained in the U.S. working paper caused some commotion in West German political circles, since this was generally seen as the result of information supplied from a Bonn source.

Government and Opposition have drawn much closer together in foreign policy during the past year. Nowadays, there seems to be little fundamental difference between them in this field, except that the SPD perhaps more strongly favours co-operation with the U.S., even at the expense of some cooling-off in relations with France. And the SPD strongly supports Britain's entry into the Common Market.

A number of questions are being asked nowadays about the post-Adenauer era, even though there are still some months before the Chancellor actually steps down. Among them are the following: Will the future developments see greater power and influence transferred to the Cabinet and the Bundestag? Will the Chancellor's own party, the CDU, be able to remain united after it loses its great leader? Or will it split up into factions, based upon the cultural and socio-economic

[1] After the German author, Carl Zuckmayer.

groups which nowadays exert themselves resolutely in connection with legislation which they want to see either approved or rejected? All these developments must depend upon what happens in foreign politics, and particularly whether satisfactory arrangements will be made regarding West Berlin, in the struggle between East and West.

A comment in *Die Zeit* of 28 December would seem to sum up the present West German political situation. The greatest lack at the moment, it says, is 'a Government which is not involved in political affairs and a Cabinet which makes policy', and it concludes that 'the participation of the ordinary citizen in the work of the nation will remain longer than blind veneration for a great man.'

Peru since the *coup d'état*

MARTIN NEEDLER

'. . . The outcome of Peru's elections may point the way to the future of democracy not only in Peru but in all of Latin America.' This was Senator Hubert Humphrey's estimate of the importance of the Peruvian presidential elections as expressed on 8 June 1962, two days before the voters were due to go to the polls. Read today, these words have an ironic ring. What happened, of course, was that the elections turned out 'wrong' from the point of view of the high-ranking officers of Peru's armed forces, who thereupon decided they had been 'fraudulent' and that it was thus incumbent on the military, acting in defence of democratic processes, to assume charge of the country's government. Anyone concerned with the future of democracy in the hemisphere is entitled to ask: Why did the military seize power? What is the present situation? What are the prospects for the future?

Background to the present situation

Any discussion of Peruvian politics must take as its starting-point 1924, the year in which APRA (the American Popular Revolutionary Alliance) was founded as a movement of the non-Communist Left by Victor Raúl Haya de la Torre, a Peruvian student-leader then in exile in Mexico. At the forefront of the movement's programme Haya placed the integration into national life of Peru's Indian population, over half the country's in-

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Mr Needler recently spent some time in Peru, sponsored by the Rackham Graduate School of the University of Michigan, where he teaches Latin American politics.

habitants, the majority of whom still live today under conditions of serfdom. Along with the revolutionizing of Peru's medieval social structure, APRA also stood for Pan-Americanism and 'anti-imperialism'. This last element in the programme was originally directed against the United States. The party has, however, subsequently evolved to a strongly pro-U.S. position in the cold war; Haya argues, with much plausibility, that it is the United States who has changed her outlook in the last decades, not APRA.

In other respects too, however, APRA has become more conservative as its leaders have grown older, and in recent years the party has suffered the fate of falling between two stools in Peruvian politics. On the one hand, *aprismo* is still totally unrespectable; it is execrated by the landowning class because of its strong reformist orientation and also because of its violent past, the party having twice attempted to achieve its goals through revolution and party members having been charged with political assassinations. For the same reasons, the party is anathema to the higher ranks of the armed forces, who have never forgiven the killing of military men by *apristas* in an uprising in the northern city of Trujillo in the early 1930s. On the other hand, as it has become moderate and friendly to the United States, APRA has lost the support of younger and more Left-wing voters, especially because of its unequivocal stand against the regime of Fidel Castro.

In recent years, under the guidance of party strategist and Secretary-General Ramiro Prialé, APRA has made a determined effort to erase its 'non-U' reputation. The party endorsed moderate conservative Manuel Prado in the presidential elections of 1956, and co-operated loyally with his Government, providing him with his majority in the legislature. Despite the accusations of the party's enemies, APRA gained surprisingly little from its *convivencia*, its 'co-existence' with the Prado Government. Prado, a very shrewd politician who sized up the situation accurately, gave the party the merest crumbs from the patronage table. The party's Left-wing support steadily dwindled as it was dragged along as the tail on the kite of Prado's conservative economic and fiscal policies, but at the same time it did not succeed in disarming Right-wing fears. Despite its efforts to placate the military—for example, on the question of legislative appropriations—army hostility to the party continued strong, and was evidenced by the wanton sacking of party headquarters, the *Casa del Pueblo*, on the day of the *coup d'état*. To be sure, the military had reason to be suspicious of the party's attitude; among its other beliefs, but given new prominence since the *coup*, is the party's view that the armies of Latin America constitute an unjustified burden on the hemisphere's financial resources, which could better be expended in economic development.

Today APRA hopes to be able to recoup some of the support that ebbed away during the *convivencia*, because, as the only major party which

clearly opposed the *coup*, it stands to benefit from the resentments that should pile up as the junta's programme is implemented. *Aprista* leaders also feel that the other major parties have been discredited by the events that took place between the election and the *coup*.

Events immediately preceding the coup

What actually happened was this. Under the relevant provision of the Peruvian Constitution, a candidate needs at least one-third of the popular vote to be elected President; otherwise the choice falls to the newly elected Congress. During the elections in June last year, there were three major and several minor candidates in the field, which was eventually led by Haya de la Torre with 32·9 per cent of the votes, only 14,000 more than his closest rival, Fernando Belaúnde Terry.

Rather than take a chance on the congressional decision—because of the unrepresentative division of constituencies, it so fell out that APRA controlled almost half of the new legislature—the military chiefs decided to intervene. They did this on the basis of charges that fraud had taken place in the elections, and under cover of a provision of the electoral law that stipulates that the armed forces should supervise the voting process.

The charge that the elections were fraudulent convinced no one except those who wanted to believe it. On the face of it, it seems clear that if the Prado Government *had* wanted Haya to win, as the military charged, it must have muffed the 'fraud' badly to give him fewer votes than the 34 per cent he needed to be elected. It is at least as extraordinary that after several months in power the military junta has still been unable to bring to light any proof of the alleged fraud. In any case, neither the foreign observers present nor the national Electoral Council, whose duty it is to supervise the elections, could find evidences of 'fraud', although the anti-*aprista* daily press in Lima managed to find some cases in which voters had copied their military identification numbers incorrectly on to the voters' registration documents, and cited these as 'evidence'.

An interesting sidelight on the 'fraud' issue is the fact that the political signal for the military take-over was given by Belaúnde Terry in a television appearance which he made when the results of the balloting became known, in which he made the charges of fraud and announced that he would abide by whatever decision the armed forces should make—a clear invitation to a *coup d'état*. Yet it was this same Belaúnde who had appeared on television when the first returns showed him in the lead, and had congratulated the Prado Government on the fair conduct of the elections. One presumes that, in calling for the *coup*, Belaúnde assumed that he would be its beneficiary. Well-informed observers estimate that about half the members of the present Cabinet are or were, perhaps, *Belaúndistas*; but there was enough opposition to Belaúnde to make it

necessary for the military *coup* to adopt the device of a junta Government, with General Ricardo Perez Godoy at its head, and Belaúnde's hopes foundered.

The disillusionment with Belaúnde that set in among many of his followers after the events of election week partly contributed to the atmosphere of public relief which greeted the *coup*. Other ingredients in creating the favourable mood were tension and exasperation with the lengthy process of counting the votes, intensified by prolonged uncertainty as to the result. In addition, there was the cynicism which grew with reports of the lobbying among the various groups over the choice to be made when the decision on the new President was passed to the legislature. The extraordinary result of these negotiations was an offer by APRA to give its votes to the third strongest candidate, the former dictator and traditional persecutor of *apristas*, who had made anti-*aprismo* the chief plank of his election campaign, General of Division Manuel Odría. The shock with which this announcement was greeted by supporters of APRA was not completely overcome by the official argument that, in its devotion to constitutional processes, the party was prepared to go to any lengths to avoid the impending *coup*. Perhaps part of the motive for APRA's gesture was a desire to discredit Odría with his anti-*aprista* followers. In any event, the gesture remained no more than that, and the order for the *coup* was given.

Events since the coup

As mentioned above, the country accepted the *coup* without resistance and almost with a sense of relief after the tension and uncertainty of the days that had preceded it. APRA called a general stoppage of work in protest and perhaps in an attempt to bring down the junta; but it was only partially successful, in the *aprista* north and in a limited number of industries, such as metallurgy, fishing, and sugar. Part of the failure may have been due to an inability to spread the word owing to a telephone strike already in progress; no doubt most workers, living on the margin of subsistence, could ill afford to stay away from their jobs; more fundamentally, however, it reflected a general weakening of APRA's influence as it has evolved towards the Right, and especially as a result of the period of *convivencia*. There were enough non-APRA union leaders, independents and Communists, to be won over by junta promises of favour for those who disregarded the strike call, to render it ineffectual.

Lima especially welcomed the *coup*; but Lima had supported Odría in the presidential election, that is, it had already expressed its preference for a dictatorship that would declare a moratorium on politics, while it provided, it was hoped, jobs for all. Odría had managed to create such an image, at least in the capital city. There he was remembered for the 'good times' of his years in office (1948–56) which, fortunately for him,

had coincided with the Korean War and a period of high prices for Peruvian exports. And he had also had the good sense to leave office in 1956, presiding over fair elections, won by the opposition candidate Prado with the aid of *aprista* votes, and had left his successor to put through the unpopular monetary stabilization plan that then became necessary. The concrete results of Odría's presidency are to be seen everywhere in Lima in the monumental government office buildings whose construction gave work to so many, each with its plaque noting that it was constructed during the presidency of General of Division Manuel Odría. *Odriístas* can be found at both ends of the social scale, for the doctrine of work and the strong hand at the helm appeals equally to the forces of authority and of poverty, in Peru as elsewhere in Latin America, as it did in the Europe of thirty years ago.

Upper-class and lower-class *Belaúndistas* may also be found, but these are an entirely different type. Belaúnde is an interesting case: a man clearly consumed with a passion to be President not in order to put into effect any particular programme but simply to be President. Many Peruvians ascribe Belaúnde's obsession to his desire to vindicate the family honour; his father served time in jail for using his position as Secretary of the Treasury to enrich himself. The wide range in the social status of Belaúnde's supporters is largely due, however, to the studied ambiguity of his position on all policy questions. As far as one could tell, he favoured nationalism and economic development; he was outspokenly anti-APRA, but in Peru not only the generals, but also the Communists, are anti-APRA; he was not *Fidelista*, but he was not anti-*Fidelista* either, to quote his own formula. By dint of his magnetic personality, his persistent campaigning in every corner of the country, and his slipperiness on doctrinal questions, Belaúnde managed to gather a substantial following in *Acción Popular*, the name he gave to his party. *Belaúndismo* appealed to the well-meaning upper and middle classes who looked down on politics, who found Odría as distasteful and disreputable as Haya, and who could be impressed by righteous-sounding but meaningless generalities, and it also managed to pull in many *Fidelistas* and even pro-Communists. In fact, in the election, Belaúnde carried Cuzco, the ancient Inca capital and now the stronghold of Communist sentiment in Peru.

Haya, Odría, and Belaúnde were the three main presidential candidates and their followers remain the major political groupings today. Two other candidates are, however, worthy of note. The Communists ran, under the designation of National Liberation Front, an extraordinary trio of candidates for the Presidency and the two Vice-Presidencies for which the Constitution provides—Pando, Bolo, and Sofo, in the formulation whitewashed on Lima walls. The presidential candidate was a retired infantry general named Pando; the candidate for the First Vice-Presidency, Bolo, was a priest, currently 'suspended from his functions' by

the Church for his political activity; 'Sofo' is Sofocles, the pen-name of a well-known satirical political writer.

The other minor grouping worthy of attention is the Peruvian Christian Democrats, led by Hector Cornejo Chávez, an attorney and professor of law at the Pontifical University in Lima. Although scorned by the man in the street for its tiny following ('*cuatro gatos*'—'four cats', a Peruvian expression meaning 'a handful of people'—is the standard reaction that a mention of the Christian Democrats brings), the party is well respected by those in the know for the calibre of its leadership. The quality of the Christian Democrats' representation in the legislature is acknowledged, even by the party's enemies, to have surpassed that of the other groups, while Cornejo himself, the party's presidential candidate, is generally regarded to have been the ablest individual in the old Chamber of Deputies; he is too much the intellectual and too self-righteous, at least in the public image, to have a very wide popular following, however. The party takes a democratic and reformist line and stresses the importance of government planning for most effective economic development.

At first, the regime issuing from the *coup* went unrecognized by the United States. About two months later, however, recognition was extended, but in such a way as to make the U.S. attitude perfectly clear to the junta itself and to democrats throughout the hemisphere. Ambassador Loeb did not return to Peru and his place continued to be taken by a chargé d'affaires. Economic aid was resumed, but military aid was withheld for another two months. And the announcement of recognition made it clear that it was extended in view of the fact that the junta had restored civil liberties in the country, and that it was based on the premise that the military regime would function *ad interim* only, and that elections would be held the succeeding year, to be attended by international observers.

Prospects for the future

Will elections actually be held in 1963? Probably a majority of Peruvians doubt this today, certainly in the sense of fair elections open to all candidates. Completely free elections would probably be won by APRA, and the military are no more likely to be willing to tolerate an *aprista* President in 1963 than they were the previous year.

It may be possible, on the other hand, that the generals and admirals would be willing to hand over power to a constitutional Government in which APRA had no part. Much behind-the-scenes negotiating is taking place on this premise, with the thinking of the political brokers running along the following lines: APRA will not run its own candidate, realizing that the army would never allow him to take office, but the reservoirs of *aprista* votes could be won by an independent candidate with a pro-U.S. and reformist programme, who undertook to give APRA perfect freedom to operate—an arrangement like that made with Prado six years ago. If

the candidate were reasonably personable, he could attract disillusioned *Belaúndista* votes, though it goes without saying that Belaúnde himself would run again, as he has already announced. Odría has also announced his candidacy; but his very costly campaign in 1962 may have used up his resources and those of his friends. A new and respectable independent candidate could pick up independent and moderate conservative votes from those who were unhappy with the previous candidates. A modestly reformist platform and a respectable background might well win him, in addition, Christian Democratic support; Cornejo Chávez does not seem to wish to run again, and has often expressed willingness to support any acceptable candidate of another party. This would be a winning combination.

A candidate of this general description has actually already emerged. In August last year a group of his friends launched the candidacy of Jorge Grieve, an independent of vaguely *aprista* sympathies, who was Prado's Minister of Development and is now a member of the *ad hoc* committee of Latin American economists reviewing national performance under the Alliance for Progress programme.[1]

All this speculation is based on the premise that there will be free elections, but, judging from appearances, the generals and admirals seem to be acquiring a taste for power. The honeymoon period of immediate relief after the *coup* would appear to be over, however, and the past three or four months have shown spreading discontent with the junta's failure to implement its proposed reforms. Sporadic peasant riots in the Cuzco district have been followed by strikes in the mining regions of the Andean ridge and further disorders in the extreme north and also in the industrial area of Callao, the port of Lima. On 5 January a national state of emergency was proclaimed to deal, in the junta's words, with 'a vast Communist plan of agitation and violence'. The constitutional guarantees had previously been suspended for thirty days at the end of December in the central mining regions and the Cuzco department. Many hundreds of people have now been arrested, including General Pando Egusquiza, 1962 presidential candidate of the Communist-supported National Liberation Front, and the offices of this organization and the pro-Castro Social Progressive Movement have been raided by the police. This crisis situation does not augur too well for a return to constitutional government.

[1] Grieve is also acceptable to a wide range of opinion. It was at his house that negotiations among the parties to break the impasse over the indecisive presidential election were held.

De Gaulle's Europe and the politics of planning

G. L. ARNOLD

PRESIDENT DE GAULLE'S statement of 14 January has made it plain that the 'grand design' of an Atlantic Community directed from Washington can count on no support from France as long as he is in power. His remarks have also reduced the chances of British entry into the European Economic Community, and perhaps precipitated a conflict between Paris and the rest of the Six. This article considers the question of the extent to which France's new role as the centre of an autonomous continental bloc is in tune with the underlying realities of Western Europe

Regardless of whether the British Government might, with greater foresight and fewer backward glances at the 'special relationship', have avoided some of the difficulties so apparent at the moment in the negotiations in Brussels, it has always seemed puzzling that public opinion in the United Kingdom should so readily have accepted the official identification of 'Europe' with the Six of the Rome Treaty. In the psychological atmosphere typified by this usage, any reminder that Britain is organically part of Europe inevitably sounds like propaganda for joining the Six. Yet it was and is quite possible to see the United Kingdom as a member of the West European family of nations without necessarily concluding that her political and economic future lies with the signatories of the Rome Treaty. The latter, it should be remembered, represent only the inner core of continental Western Europe: a central bloc of countries held together by a unique historical experience. In the words of Professor Hallstein, 'the area covered by the Communities is identical with the territory of those States which were brought to the edge of physical and political destruction by the wanton National-Socialist adventure. This experiment has left in the heart of these nations the fervent wish that such a thing shall never happen again.'[1] The obvious reminder that a similar wish may be thought to have been left in the hearts of Austrians, Danes, and Norwegians does not quite dispose of the argument, since it is undeniable that the catastrophe of 1940 was in fact the starting-point of all the subsequent attempts to construct a supra-national West European political entity.

Perhaps the chief thing to be said about the Six is that they do regard

[1] Dr Hallstein's speech in Aachen on 11 May 1961 on the occasion of receiving the Charlemagne prize. *Bulletin of the E.E.C.*, Brussels, May 1961, p. 21; cf. E. Strauss, *European Reckoning*, London, Allen & Unwin, 1962, p. 13.

each other as fellow-Europeans, though it could be argued that they have been slow to extend this sentiment to people outside their club. Here, however, it is necessary to reckon with the unpopularity of wealthy neutrals like the Swedes and the Swiss who—in the eyes of their prospective economic partners—are trying to have it both ways. It is apparent that in the case of Britain many Europeans have similar qualms. No doubt it is easy and convenient to put all the blame on President de Gaulle, notably in view of his latest pronouncements. His New Year message had already made it clear that he was less than enthusiastic about the prospect of British membership; but when he said Britain would be welcome 'in the future', if she was 'ready and able to join definitely and without reserve',[1] he voiced a sentiment fairly widespread even among people who do not insist that Britain must 'choose' between Europe and the United States. It has long been obvious that President de Gaulle does not want Britain as a mediator between Europe and the United States. It may be conjectured, however, that in this attitude he is supported not only by most of his own countrymen, but also by influential Germans inside and outside the Christian Democratic Party.

There is some risk in discussing the subject at this particular moment, but it needs to be said that if the scales are tipped against British entry—either because the Brussels talks break down or for other reasons—it will be a waste of time to blame the outcome upon French intransigence in the hope of launching a tidal wave of pro-British emotion in Bonn, Rome, and Brussels. The strength of the French position has always been that it coincided with the determination of the committed Europeans to build an organic union—even if the federalists have had to accept a slower pace than they would have liked. The British are not yet regarded as 'good Europeans'—not even at The Hague—and it is this which has handicapped their negotiators. As matters stand, these negotiators may shortly have to decide whether or not to accept President de Gaulle's offer of associate status within an enlarged European free trade area, leaving the Six, as an inner core, to follow their own destinies. The first reaction has been unfavourable, as was to be expected. But if the alternative is an enlarged E.E.C. which divides Britain from the United States—and it is pretty clear that President de Gaulle is not prepared to admit Britain on different terms—both Washington and London may come to see the free trade area as the lesser of two evils.

The issue of federalism

Supposing, however, the British Government goes on pressing for entry—what, in that case, are the principal political issues Britain will have to face as a member of the European Community?

Viewed from the outside, the chief political dispute among the Six is

[1] *Le Monde*, 1 January 1963.

about federalism, with the French in the role of traditionalist defenders of national sovereignty. From the inside it looks more like a debate over the precise shape which the future supra-national institutions are to assume. British opinion has been slow to recognize the extent to which even France is now committed to a modified form of federalism. Attention has focused upon the failure to reach agreement on the modified French draft treaty of January 1962 for a Union of European States—a draft reported to have been drawn up by President de Gaulle and considered by the other Governments to be insufficiently 'federal', that is, tending towards loose international agreements rather than genuine supra-nationalism. The differences are, however, fairly narrow and it has been possible for at least one expert to conclude that 'De Gaulle's original proposals do in fact conform to some extent to the criteria for a federation.'[1] It is also worth stressing that whereas the original French draft of October 1961 went farther in a federalist direction, and thus gained more plaudits in Brussels and The Hague, its watered-down successor stood a better chance of being acceptable to the British Government. As *Le Monde* of 22 February 1962 pertinently noted, 'the Belgians and the Dutch, up to now the most reticent, recognize that the *Europe des Patries* is the only kind that Britain can enter.'[2]

Whitehall presumably favours the Dutch viewpoint, which sees entry into the Common Market as a necessary and sufficient precondition, but stops short of the federalist conclusion that membership of the political Union should follow automatically. Put rather crudely, Paris would like to reserve the right to blackball new entrants, while London feels that members of the Common Market should be free to join the Union of States *if they so desire*. The remaining five, it may be suspected, are torn between the wish to see the British in and the fear that a political union extending to most of Western Europe (for Ireland, Denmark, and Norway could scarcely be excluded if Britain were allowed to join) would become incoherent and not much more than an assemblage of independent national States, some of them in practice committed to a foreign policy bordering on neutralism.

There is, of course, something in the argument that Britain's entry would alter the balance of forces within the Community. But in terms of continental political discourse this balance now tends towards the Centre-Left (at least in economics, and at any rate since the formation of what amounts to a Socialist-Catholic alliance in Italy), whereas the British at

[1] See Christopher Johnson, 'De Gaulle's Europe', *Journal of Common Market Studies*, Vol. 1, No. 2, p. 157.

[2] Johnson, *op. cit.*, p. 156. Three months later, in his press conference of 15 May 1962 (which led to some resignations from his Government by the more determined federalists), General de Gaulle disclaimed the authorship of the term *Europe des Patries*, but did not dispute the suggestion that he was envisaging a Union of sovereign States.

the moment (and, who knows, perhaps even under a Labour Government) appear as the predestined allies of Dr Erhard and *laissez-faire* liberalism.

'Liberalism' versus planning

On this subject it is possible to encounter some odd illusions in the United Kingdom, notably among Labour Party supporters. Although it is now recognized that France has something resembling a planned economy, and that Italy is beginning to follow suit, there is still an obstinate belief that, in relation to the Continent, Britain represents a more advanced form of economic management. On the Left this notion is frequently coupled with polemical references to the Bonn regime. It is not sufficiently appreciated that Socialists on the Continent are far more worried about Dr Erhard than about Dr Adenauer. There is something distinctly comic about the British Left's obsessive concern with the personality of the aged Chancellor, when to every planner on the Continent it is perfectly obvious that his 'liberal' successor-designate is going to present a much bigger problem. Among the Six—whatever may be thought in Britain—'liberalism' constitutes a tangible threat to the further progress of European integration. This is because common institutions in the economic field cannot be developed unless they are given powers to plan on a continental scale: which is precisely what neo-liberalism of the Erhard school refuses to concede.

If one compares Dr Erhard's recent utterances on this subject with the very different views expressed by M. Robert Marjolin—a prominent Socialist and the principal driving force within the E.E.C. Commission in economic matters—one is driven to conclude that the planners are already entrenched in Brussels to a degree which alarms the *laissez-fairists*. In our context it is relevant that the latter are among the leading proponents of 'Atlanticism'. The same German papers which tirelessly argue the case for Britain's entry (and for an 'outward-looking' Community with low tariffs) are also in the forefront of Dr Erhard's campaign against the bureaucrats in Paris and Brussels. The planners in turn tend to be supra-nationalists by conviction—not because they are all Socialists (it is hardly necessary to emphasize that Socialists can be as nationalist as the next man), but because European planning now calls for a supranational approach. Unless there is conscious direction, the economies of the Six will be progressively integrated along lines favouring the strongest and most monopolistic industries. This may suit the Germans, and may please the surviving fanatics of economic liberalism, but it is not to the taste of most other people. Here one may include the farmers, whose numerical strength ensures a degree of resistance to *laissez-faire* economics on the part of the Christian Democrats, thereby making possible those Catholic-Socialist alliances—in Holland, Belgium, and Austria, as

well as formerly in France and latterly in Italy—whose emergence has underpinned the entire European movement since the late 1940s.

The case of France

The case of France is complicated by the collapse of the Fourth Republic, which rested upon a three-cornered alliance of Liberals, Catholics, and Socialists, and the advent of the Fifth, with its semi-authoritarian form of government around a strengthened presidency. But in essentials France's commitment to economic direction from the centre has not been affected, and the recent strengthening of the Executive at the expense of Parliament has indeed facilitated the task of the planners, for all that some of them are to the Left of the Gaullist regime. The latter is suspected of 'technocratic' and 'authoritarian' tendencies, but these are the antithesis of untrammelled big-business rule on the West German pattern. If anything, the Plan has now become even more central to the whole purpose of government in France, while its supra-national implications make it possible for convinced 'Europeans' of the political Left to treat the French experience as a paradigm case.[1] Similarly one sees a distinguished political scientist of strongly Left-wing sympathies like Professor Duverger supporting President de Gaulle's 'inward-looking' conception of Europe's future role, on the ground that 'drowning Europe in the Atlantic' means throwing it open to unrestricted U.S. capital investment.[2] British supporters of Atlantic Union—with the City organs well to the fore—have not really faced the fact that 'Europeanism' means something quite definite to Frenchmen of the Left, as well as to the Gaullists with their minds fixed on the *force de frappe*. Both parties, whatever their differences, find common ground in a determination not to accept subordinate status within the Western alliance. There are indeed important groups in France who are quite willing to operate within the context of Washington's 'grand design', but they happen to be defeated and in opposition. One is tempted to add that one reason why they lost the recent campaign over the referendum and the parliamentary elections, in October–November 1962, was precisely that they conveyed the impression of being excessively ready to fall in with American wishes.[3]

[1] See Etienne Hirsch, 'French Planning and its European Application', *Journal of Common Market Studies*, Vol. 1, No. 2, pp. 117 ff. The fact that M. Hirsch—a former *Commissaire-Général au Plan*—was removed from the presidency of the Euratom Commission at the end of 1961, owing to a dispute with President de Gaulle, has no bearing upon this particular issue, any more than does the Socialist Party affiliation of M. Marjolin.

[2] See Maurice Duverger, 'Le Grand Dessin', *Le Monde*, 10 January 1963.

[3] It is true that M. Pinay, on whom American (and perhaps British) hopes were concentrated—he is, after all, the nearest thing to an Erhard that France possesses—showed characteristic caution and good sense in not contesting the issue in person. But the collapse of his party, and the absorption of its shattered remnants into the triumphant Gaullist majority, was widely regarded as a defeat for the

President de Gaulle's lengthy statement on 14 January was not explicitly concerned with this particular problem. This is hardly surprising when one considers that his principal aim on this occasion was to block British membership, while placing the responsibility for the eventual breakdown of negotiations upon the British Government. In this context, it would have been pointless to refer to economic issues other than the well-advertised conflict between the interests of French farmers and overseas producers of temperate foodstuffs. Yet it is no secret that continental import duties on farm products are among the major obstacles to that Atlantic trading system (including North America and Western Europe) which the Kennedy Administration has been promoting, and which President de Gaulle singled out as a distant menace looming behind the unwelcome British application for membership. So far as agriculture is concerned, the Common Market has been quite deliberately dissociated from the world market. European food prices will therefore be higher than they would be if economic laws were allowed free play, even though market principles will operate within the Community.

The problem of the supra-national bureaucracy

This ingenious arrangement corresponds to the political and social balance within the E.E.C.: the predominant industrial interests are not able to dictate, though in a general sense they benefit most from the creation of a large internal market unhampered by internal barriers. Both the trade unions and the farming interests have to be carried along, and this is done within the framework of the Rome Treaty by protecting agriculture and ensuring something like industrial full employment. The task of maintaining a suitable balance falls to the E.E.C. Commission and its associate bodies in Luxembourg. Thus the supra-national bureaucracy becomes the arbiter of interest conflicts, transcending the national responsibilities of Governments. It is, for example, called upon to mediate between the interests of French and German agriculture. The fact that the German Government (unlike the British) decided to sign first and argue afterwards makes this easier, since the recalcitrants in Bonn can be held to the text of the Treaty; but whatever tactics the various Governments choose to adopt, in the end it falls to the Brussels Commission to arbitrate their differences, though the final decision is reached in the Council of Ministers. The ultimate sovereignty of the latter is indeed a Gaullist principle, and on this particular issue there is no Anglo-French conflict. On the contrary, it is one of the few points of contact. This is true, at any rate, if one thinks in terms of official opinion. On the other hand, the supra-national issue divides the British Labour Party from the continental Socialists, who are federalists to a man, that is, convinced that the

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Atlantic cause, which also happens to be the cause of 'outward-looking' free trade, and liberalism in general.

future lies with the E.E.C. Commission (and the embryonic European Parliament) rather than with the vestiges of national sovereignty embodied in the Council of Ministers. It is this cleavage which makes it difficult to establish a common platform of all the democratic parties in Western Europe. This leaves the unsolved problem of democratic control to be exercised by a European Parliament which, unlike the present one, would presumably have to be set up on a basis of direct election.

Would the present balance between nationalism and federalism be upset in the (now more problematic) event of British entry as a full member? It is arguable that all the resistance comes from the French side and that five out of the Six still believe in the possibility of compromise. But the fact has to be faced that the Brussels bureaucracy, in so far as it favours Britain's entry, does so on the assumption that the British economy will be genuinely integrated with that of the Continent. Setting aside the special problem of agriculture (which may turn out to be insoluble), such an amalgamation does involve the transfer to the E.E.C. of powers of control now held by Whitehall. This is resisted by the Labour Party in the name of national planning, while most Conservatives have been curiously silent on the subject: presumably they take the view that, once inside, Britain would act to keep both bureaucracy and supra-nationalism (the two are twin aspects of the same reality) within bounds. This may be so; but it must be a disappointment to those who hold this view that the French President is indifferent to the tactical advantage of having the British on his side in this matter.

'Europeanism' and 'Atlanticism'

The present upheaval lends point to the reflection that, at the highest level of decision-making, political considerations take precedence over all others. The 'sticking-point' in the January discussions has come over what is plainly a political issue: French dislike of an Atlantic Community within which Britain, by virtue of the 'special relationship', would retain a privileged position. Yet this resistance to Anglo-American domination, and the obstinate demand that Britain shall relinquish the role of a link between the Continent, the Commonwealth, and the United States, are tied up with the defence of Europe's traditional socio-economic structure, in which the balance between industry and agriculture in France and Germany are not dissimilar. The Paris–Bonn Axis is anchored in a way of life, as well as in those common memories which President de Gaulle invoked on 14 January. To that extent it represents a conservative 'solidarity bloc', just as on the other hand the supra-national planning powers of the E.E.C. point forward from liberalism towards the central regulation of Europe's economy. On the assumption that the British Government decides in the end to give preference to its 'outward-looking' Atlantic and Commonwealth interests, it will be for Washington and London to decide

how this emerging continental bloc, which has invested its faith in both protection and planning, can be fitted into a wider Atlantic trading system.

It does not follow that 'Europeanism' and 'Atlanticism' are incompatible, any more than it follows that because President de Gaulle wants his own *force de frappe* he cannot remain in NATO. The issue concerns the relative weight of the future united Europe within the wider context of the Western world. As the Paris correspondent of *The Guardian* put it, 'The President looks to the increased weight of a united Europe as the cure for the chronic frictions between the Atlantic allies and . . . Britain is only wanted in Western Europe if she enters it in order to add to that weight in Western Europe's dealings with the outer world rather than as a mediator.'[1] That much is perhaps common knowledge. What the British public has not yet grasped is that this issue is intimately linked to the dispute over Europe's future economic organization and socio-political orientation. It sees only the quarrel between the Elysée and the supra-nationalists, forgetting that both have a common stake in a Europe which retains a maximum of independence within the Western world: in M. Duverger's words, 'une super-nation européenne face à la super-nation américaine, dont les structures seront différentes et la personnalité bien accusée.'[2]

On this issue, French nationalism happens to be in tune with Europeanism, just as British nationalism—*teste* Mr Gaitskell's Brighton speech and its popular echo—is in tune with a certain kind of Commonwealth sentiment. And Europeanism—it cannot be repeated too often—is increasingly going to mean commitment to centralized economic regulation and State control. The resultant tension between national *dirigisme* (Gaullism) and supra-nationalism (Socialism) will have to be faced, and there will be conflicts; but this is not equivalent to saying that the dispute can be resolved at the higher level of an Atlantic free trade area. What is a possible solution for Britain—tariff-cutting and a policy of cheap food imports which *inter alia* will sacrifice what is left of the domestic farming industry—cannot be a solution for continental Europe. Even so devoted a factotum of big business as M. Pinay would probably hesitate before trying to make his countrymen swallow this particular pill. Dr Erhard, with all the prestige of the 'economic miracle' to back him up, has not been able to impose it upon the West Germans. And none of the others are in a mood for it. If *this* is what is meant by being 'outward-looking', U.S. and British free-traders will have to resign themselves to failure in the current negotiations. Talk of not wanting a 'protectionist high-tariff bloc' cuts little ice in a Europe which has barely recovered from the ravages of economic liberalism, and is now beginning

[1] See Darsie Gillie in *The Spectator*, 4 January 1963.

[2] *op. cit.* It is easy but foolish to counter this with gibes about the vaulting ambition of the Sun-President. If nothing more were involved, things would indeed be simple.

to discover the attractions of conscious control. If the 'inward-looking' Europeans have a sense of humour, the spectacle of the United States and Britain (with the lowest growth rates in the Western world) lecturing them on economic rationality must help to amuse them. Nor will threats of American troop reductions, unless Europeans eat more broiler fowl from Iowa,[1] shake their resolve to keep a sizeable part of their population employed growing food that other Europeans want to consume.

In all these respects, popular sentiment, political pressures, and the inherent logic of a Common Market system that has overstepped the boundaries of classical liberalism operate to bring about an intellectual climate profoundly different from that of 1939. It is among the oddities of the present situation that this fact is not adequately perceived by British Labour Party supporters, unless (like Mr Douglas Jay) they are old-fashioned free-traders and hostile to the E.E.C. on doctrinal grounds. Criticism fastens on the twin aspects of bureaucracy and supra-nationalism—as though one could have continental planning without them! On the other hand, President de Gaulle's Tory sympathizers, who share his dislike of federalism and his distrust of the United States, may underrate the extent to which his Government is now wedded to economic *dirigisme* and 'New Frontier' technocracy. As between the Conservative Party and its Gaullist counterpart across the Channel, the latter now looks distinctly more modern, that is, more positively committed to State regulation of the economy, which happens to be the specifically modern issue. Most Conservatives presumably prefer Dr Erhard. In electoral terms they may be right, but in terms of European politics they are in danger of missing the boat. One says this on the assumption that the Six of the E.E.C. will conserve their basic political unity even if the inner core of Europe is embedded in an enlarged European free trade area, which in turn would be encircled by the Atlantic trading system of President Kennedy's 'Grand Design'. In the end, this reduces itself to the question of whether France and Germany will continue to stand together. The purpose of the foregoing remarks will have been served if it is made clear that the answer to this question does not simply depend on the personalities of President de Gaulle and Dr Adenauer.

[1] See the speech of Mr Orville Freeman, the U.S. Secretary of Agriculture, as reported in *The Times*, 9 January 1963.

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Notes of the month

'Association' with the Common Market

SINCE the failure of Britain's negotiations for membership of the E.E.C. there has been considerable speculation on possible alternatives. Among these has been the suggestion of association with the Community—a suggestion reinforced by recent statements by General de Gaulle.

The nature and purpose of association of third countries with the Common Market is dealt with in some detail in the Rome Treaty. Leaving aside the arrangements for the association of former dependent overseas territories in Part IV of the Treaty, Article 238 provides the following so far as European applications are concerned:

> The Community may conclude with a third country, a union of States, or an international organization, agreements creating an association embodying reciprocal rights and obligations, joint actions, and appropriate forms of procedure.
>
> Such agreements shall be concluded by the Council by a unanimous decision and after consulting the Assembly.
>
> Where such agreements involve amendments to this Treaty, such amendments shall first be adopted in accordance with the procedure laid down in Article 236.

It is immediately apparent that there are striking differences between the admission of a State to membership and the association of a State with the Community, not only in substance but also as regards procedural requirements. Admission to membership requires the conclusion of an agreement between individual Member States and the applicant State, whereas association requires an agreement between the Council and the State which applies for association. This difference is perhaps more apparent than real, because the requirement of a unanimous decision of the Council in the case of association enables a Member State to block an application in much the same way as it may block an application for membership. It is obvious, therefore, that even if Great Britain were interested in association, there would have been no certainty whatever that the Council, after negotiations as tortuous as those concerned with her abortive application for membership, would have agreed to her application. If, on the other hand, unanimity within the Council can be secured, an agreement for association can be concluded without the need for separate ratifications by all Member States, as required in the case of

admission of a new Member. As there is no need to secure the approval of each of the Parliaments of the Six—often a lengthy and complex process—association is in this sense easier to achieve than membership. However, if the agreement arranging the association involves an amendment of the Rome Treaty itself, then ratification by all Member States is required.

As far as the difference in substance between membership and association is concerned, there can be no doubt that it is fundamental. It is true that in the context of association Article 238 refers to 'reciprocal rights and obligations', but the fields which these rights and obligations cover will naturally be more limited than in an agreement for full membership. An associated State cannot be represented in any of the institutions of the Community, and all relevant decisions can be taken without its concurrence, unless, of course, they would result in a breach of the terms of the agreement concluded with it. This inability of the associated State to make its voice heard is the most serious disadvantage of association by comparison with full membership. The other disadvantage is psychological rather than legal. It lies in the fact that association, because it would normally lengthen the transitional periods preceding the full implementation of the Treaty, is apt to defer the stage when full membership will be granted. If an economically advanced European State seriously aims ultimately at full membership, it would be better advised not to enter into the intermediate stage of association.

So far only one country, Greece, has become associated with the European Economic Community. Greece, however, was regarded as a 'developing country' by the Member States of the Community, and in view of her special problems full membership would not have been a realistic alternative. In fact, before even the agreement providing for the association of Greece was ultimately concluded, other alternatives were seriously considered; but full membership was not one of them. There were, however, from the point of view of the Six, strong political reasons for bringing Greece within the fold in some manner. The customs union, which is the ultimate aim of the association between the Community and Greece, will become effective after a transitional period of twelve years, but as far as Greek customs duties on goods imported from Community countries are concerned, the process may take as long as twenty-two years.

In order to ensure the proper functioning of association, the agreement with Greece provides for a Council of Association consisting of members of the Greek Government on the one hand and members of the Council and the Commission on the other. Within the Council of Association each party is entitled to one vote. Although the Council is entitled to deal with disputes between the parties, such disputes, in view of the equal voting strength of the parties, will normally have to be settled by the European

Court or an arbitral tribunal specially provided for in the agreement of association.

In conclusion, it may be said that the terms of association offered to a highly developed country would probably be no less onerous than those on which it might have been admitted to membership, without at the same time conferring the benefits which full membership would imply.

F. HONIG

Nuclear test negotiations

INTERMITTENT and, to date, unsuccessful negotiations on either a nuclear test ban or a limitation of different types of test in the atmosphere, space, underground, and under water have been continuing since this aspect of arms control was last examined in *The World Today* (June 1962). Disarmament has not been directly discussed, either in the U.N. General Assembly, by private diplomacy amongst the nuclear Powers, or at the eighteen-nation Geneva Disarmament Conference (seventeen-nation if one excludes non-participating France) which has been meeting at intervals since March 1962. When the Conference reconvened, however, on 12 February after two and a half months' recess, the Russians tabled a draft treaty which reverted once more to the former notion of incorporating a test ban agreement in a more comprehensive scheme of disarmament and arms control.

France's refusal to participate in the Conference, coupled with the development of a national nuclear force and hints of further tests, has produced the ironic result that, according to the Soviet Foreign Minister, Mr Gromyko, speaking on 21 January, 'France must join in a test ban pact' or there will not be one. If this condition were insisted on, prospects for a ban or treaty would recede still farther. It may be supposed, however, that Mr Gromyko's statement was partly intended to offset possible Western demands for a comparable Chinese accession, if nuclear devices were known to be undergoing tests there. Rumours that China would 'soon' test her first nuclear weapon were frequent throughout 1962, but so far no firm date has been prophesied or announced.

Three-Power nuclear talks took place from 13 to 31 January in Washington, initially between Mr William Foster, director of the U.S. Disarmament Agency, and Mr Tsarapkin, the Soviet representative; the U.K. representative, Mr Godber, joined them later. The talks sprang from letters exchanged between Mr Khrushchev and President Kennedy in the second half of December.[1] The Soviet Government has now requested, however, that further discussion be transferred to the Geneva Conference. To indicate the narrow but deep gulf between the U.S.–U.K. insistence on the principles of some on-site inspection, scientific verification of suspected tests, and impartial investigation of them, and the Soviet

[1] Texts published in *The Times*, 21 January 1963.

conviction that all this is tantamount to interference with national affairs, it is merely necessary to note that earlier U.S. demands have now been progressively reduced to eight to ten annual obligatory inspections, whilst Mr Khrushchev, in a letter to President Kennedy dated 7 January, agreed in principle to accept a quota of two to three such visits.

This Soviet concession made during the Washington talks carried, however, the proviso that neutral inspectors only would be allowed. They would be escorted by Soviet nationals, travel in Soviet military aircraft, and in effect be blindfolded until they reached the place at which a test, in their estimation, might or might not have been made. It is also important to note that this qualified Soviet concession was made in the context of U.S.–U.K. proposals of August 1962 for a treaty banning all tests, and not their alternative of one banning space and atmosphere tests, but permitting underground tests to go uninspected.

The reason why this alternative treaty contained no 'underground' inspection clause reflects one of the few points of agreement common to Western, neutral, and Soviet arguments. This is that only underground tests remain difficult to detect, and then only for yields of less than 5 kilotons, exploded more than 3,000 miles from a monitoring station (the number of which, incidentally, the U.S. has agreed to reduce from 180 to eighty) or an unmanned seismic device, the so-called 'black box', which is supposed to be able to distinguish between the average earthquake and a nuclear explosion above 5 kilotons. It is estimated that an average of a hundred earthquakes, each of approximately 20 kilotons, occur annually in the Soviet Union.

It is important to note that it is just those weapons whose relatively low yield permits underground testing which both U.S. and Soviet strategy considers to be increasingly important in maintaining their mutual balance of deterrence. If this point could be more publicly and forcefully made, there might be a better chance for a test ban treaty on the lines of the second U.S.–U.K. proposal mentioned above. This would at least prevent the physically harmful high-altitude tests. Although the Soviet Union and the United States carried out both kinds of test in late 1962, and the U.S. Administration announced the possible resumption of them after the suspension of the Washington talks last January,[1] the informed strategic view recently has been that only underground tests are likely by these two countries in the future.

The purpose of high-altitude tests is to develop high-yield warheads, which are intended as an anti-missile defence by blanketing the offensive missiles' re-entry sector with nuclear particles. Neither Russia nor the United States has advanced substantially valid claims in this field, and the chances of an effective defence or an anti-missile missile seem remote.

[1] *The Times* of 9 February announced that a low-yield underground test had taken place the day before.

Low-yield weapons, on the other hand, for battle-field or interdiction purposes are currently regarded as strategic stabilizing factors. These weapons are not 'tactical' in the former and now discredited sense of being available for immediate use; their role is to halt a conventional conflict in which one side is in danger of total defeat, induce a pause, and thus give a chance for negotiations.

It is against this strategic background that proposals, prior to those discussed last January, must be noted. All of them, whilst reflecting U.S.–U.K. concessions to Soviet suspicions and neutral fears, have in effect, if not formally, been rejected by the Soviet representatives. As late as 4 December Mr Tsarapkin said: 'Inspection is not acceptable.' Yet, as has been already noted, Mr Khrushchev has appeared to yield on this, and the U.S.–U.K. proposals which were formally announced on 26 August by President Kennedy and Mr Macmillan, and repeated with modifications and Canadian-Italian support on 5 December, have reduced the principle of inspection to almost derisory proportions, and they remain now as an earnest of good faith, not as a scientific necessity.

Two Swedish schemes were also advanced during this period which, together with Italian proposals for a limited treaty made on 15 August, may have partly shaped the Western declaration of 5 December. The first Swedish proposal, in July, suggested that inspection must be allowed if a neutral commission of scientists requested it. Thus the quota system would disappear, but instead an impartial body would be able to act on its own initiative, invoking what the Conference came to call the 'obligation' clause. The second proposal, on 27 November, offered a choice of either obligatory on-site inspection if the neutral commission suspected a test, *or*, in an entirely different type of agreement amongst the nuclear Powers, an obligation to accept an *ad hoc* inspection to check whether a moratorium was being respected.

The U.S.–U.K. delegates supported the obligation clause both in its original and subsequent versions, if incorporated in a test ban treaty, but with memories of the last moratorium being breached by the Soviet resumption of tests in September 1961, they disliked the notion of reviving its possibilities as an alternative to a proper and comprehensive ban.

ANTHONY VERRIER

The politics of U.S. defence 1963

Manned bombers versus missiles

ROBERT E. HUNTER

THE return of Congress to Washington soon after the new year often brings with it the prospect of a confrontation between the Administration and Congress over issues that have been raised, but not resolved, either at the tail-end of the preceding session or during the autumn hiatus in Congressional activities.

This year one very important confrontation can be expected in the controversial and sensitive area of defence policy. Among the various differences on defence matters between the executive and legislative branches, two complex and interrelated problems stand out. The first involves the Air Force's projected new bomber—dubbed the RS-70 (the *Valkyrie*)—that was designed to extend the life of the manned bomber for strategic missions well into the 1970s, despite the phasing-out of the 2,000 B-47s, B-52s, and B-58s (the *Hustlers*). Production of the last two weapons systems ceased late last year despite Congressional objections; the B-47 is already being 'phased out'. In March 1962, in a period of tense personal negotiations between Mr Kennedy and leading Congressmen—most notably Georgia's Carl Vinson, forty-eight-year veteran of the House of Representatives and Chairman of the Armed Services Committee—the President agreed, in the famous 'Rose-Garden Compromise', that the Defence Department would reconsider its decision to eliminate the multi-million-dollar bomber from the nation's projected nuclear arsenal. In exchange, Representative Vinson agreed that Congress would merely 'authorize', rather than 'direct', the President to expend unwanted funds on the new weapons system.

Following the Rose-Garden Compromise, Congress appropriated $362·6 million for the RS-70 in the fiscal year 1963, which began on 1 July 1962. This was $191·6 million more than the $171 million asked for by the Secretary of Defence, Mr McNamara. Indeed, the funds requested by Mr McNamara were designed only for the development stage of the programme, with a maximum of three prototype aircraft being produced; the funds appropriated by Congress would have provided partial funding for six aircraft. Furthermore, the funds requested by Mr McNamara would have come from the $180 million appropriated by Congress for the RS-70 in the preceding fiscal year but not spent by the Defence Secretary.

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As a result of the Rose-Garden Compromise, however, the $362·6 million Congressional appropriation for the fiscal year 1963 was considerably less than many Congressmen had earlier intended. For example, the Senate version of the appropriations Bill called for an expenditure of $491 million—the amount requested by the Strategic Air Command (SAC) despite the objections of the Defence Secretary. Led by Representative Vinson, the House trimmed its version of the appropriations Bill to $223·9 million. In the House–Senate Conference, the figure of $362·6 million was agreed as a compromise, but a proviso was added that more funds should be diverted to the RS-70 project from Defence Department emergency funds, if technical advances made such diversion profitable.

In practice, 'technical difficulties' have postponed the flight test of the first prototype RS-70 from December 1962 at least until April of this year. Furthermore, so far this fiscal year the Defence Department has refused to authorize the expenditure of $141·6 million appropriated for the RS-70—in other words, the Defence Department has spent $221 million, or $50 million more than it had proposed. The 'cost' of the Rose-Garden Compromise to the Administration, therefore, at least in terms of avoiding possible, but unspecified, Congressional retaliation against the 1962 Presidential Programme, appears to have been $50 million (although the Defence Department would undoubtedly have preferred to have saved *all* of the $362·6 million; indeed, no new funds have been requested for the RS-70 in the Budget for the fiscal year 1964, which begins in July). The total cost of the Defence Department's refusal to spend RS-70 funds (funds that have been 'impounded')[1] has yet to be measured. This year's impounding of funds will probably provoke another relatively innocuous Congressional appropriation of funds wanted by SAC for the RS-70. These funds will again be rejected by the Secretary of Defence in his efforts to speed up the transition from manned bombers to missiles. In addition, however, the Administration's stand on the RS-70 issue may have to be paid for in terms of Congressional votes on non-military legislation.

The other problem, closely related to the first and much more significant in its implications for international politics, involves the cancellation last December of the Air Force's *Skybolt* missile project. This issue may bring even more vehement protests from Congress as some leading Congressional defence authorities have promised, partly because they regarded Administration support for *Skybolt* as part of the price of the RS-70 settlement, on an 'either–or' basis.

[1] Before funds appropriated by Congress can be spent by Administration agencies, the President must direct the Director of the Budget to apportion the funds—divide them into four parts to be spent during the four quarters of the fiscal year. If the President will not direct apportionment, funds may not be spent and have been 'impounded'.

Skybolt was designed to be a solid-fuelled 'stand-off' missile with a range of 1,000 nautical miles. It would have been mounted beneath the wings of B-52 Hs, as well as beneath the wings of British *Vulcan* bombers, thus prolonging the life of these bombers and of the SAC bomber force, especially if the RS-70 is finally and decisively rejected. On 6 December, the Department of Defence stated that *Skybolt* was 'not needed' by the Air Force because of the ability of the *Minuteman* missile to hit any *Skybolt* target from U.S. soil. Later, arriving in London for talks with Britain's Defence Minister prior to a 'final' decision to cancel *Skybolt*, Mr McNamara stated: 'It is no secret . . . that all five flight tests [of *Skybolt*] attempted thus far have failed and production costs have climbed sharply.'[1] Thus, the Defence Secretary's staff had judged *Skybolt* to be of too little military value (because its role could be played by a weapon system not dependent on a vulnerable, inaccurate bomber launching-platform), too far from technical perfection, and too expensive to justify its continued development and planned production. Following so closely the crisis over the RS-70 (with some Congressmen assuming that the Administration would support *Skybolt*), the prospect of a conflict over *Skybolt*, both within the Administration and between Administration and Congress, accentuates the seriousness of the *Skybolt* affair, at least in terms of the intra-governmental politics of U.S. defence policy.

The doctrinal conflict

There are three fundamental political conflicts involved in the RS-70 and *Skybolt* controversies. The first is doctrinal: what is to be the role of manned aircraft in the future nuclear retaliatory arsenal of the United States? Is there a role for these planes in the era of missiles, or, as the Defence Secretary contends (recalling the slow and costly demise of the battleship), should the transition to a missile-dominated strategic nuclear force be accomplished as quickly and cheaply as possible?

The gradual shift of service emphasis from manned bombers to missiles has been rapidly accelerated since the launching of the first Soviet *Sputnik* in October 1957. This has created a basic conflict between, on the one hand, vested interests absorbed with the refinement of manned bombers, together with sincere proponents of 'mixed'[2] nuclear retaliatory forces, and, on the other, innovators who foresee the need for the U.S. armed forces to become missile-centred sooner rather than later.[3] As with any

[1] *New York Times* (international edition), 12 December 1962.

[2] A 'mixed' force is a mixture of armaments to accomplish the same objective with the intent of confusing and complicating enemy defences. A mixed nuclear retaliatory force might include manned bombers based in the United States and Europe, *Polaris* missiles, *Minuteman* (or *Atlas* and *Titan*) missiles, and low-flying pilotless bomber-missiles like the planned nuclear ram-jet, *Pluto*.

[3] Some of these innovators argue that 'overkill'—super-saturation bombing capability—adds nothing to and may even detract from a nuclear deterrent. SAC has long been a proponent of 'redundancy' in nuclear-weaponry, partly in order

vested interest, the supporters of manned bombers within the military services and in private industry had the advantage in early confrontations with their rivals. But as a larger portion of high-level service personnel in the Air Force and Navy (the services primarily responsible for U.S. nuclear retaliatory capability) have recognized the inevitability of missile dominance, as well as the political opportunities for securing a sizeable share of strategic weapons procurement funds, the balance of power has swung the other way.[1] Similarly, the proliferation of missile projects, with their economic stimulation of otherwise declining aircraft companies, has had its influence on the attitude of manufacturers towards strategic doctrine. Companies formerly dependent upon aircraft defence contracts are now finding that they can do well in the missile field; entire new industries, developed to meet the needs of missile and space research, have grown up with no ties to the aircraft vested interests.

The technical and strategic obsolescence of manned bombers is affecting the Air Force and the Navy in significantly different ways. Within the Navy, which has always prided itself on its strategic flexibility, a potentially explosive conflict between the aircraft-carrier Navy and the rapidly emerging and popular *Polaris* submarine Navy has been channelled to the benefit of both groups. Towards the end of the 1950s, the primary function of the aircraft-carrier was redirected from a strategic nuclear retaliation role to a multiple-threat, predominantly 'limited-war' role. With comparatively few difficulties, the doctrine of the aircraft-carrier has been altered to embrace types of warfare where the use, or even the threat, of nuclear weapons would be inappropriate (although aircraft-carriers could still be employed in strategic nuclear warfare).

Within the Air Force a similar problem presented itself, namely, what to do about a large and powerful—in strategic and political terms—nuclear bomber force in the face of missile technology. Unfortunately for the Air Force, SAC's large, long-range bombers could not be adapted to limited war missions as readily as could the smaller, less costly aircraft-carrier planes that can fly either nuclear strike missions or ground-support missions from mobile bases close to targets. Because of the difficulties of converting long-range bombers to other uses, the conflict within the Air Force and the Defence Department over the phasing-out of SAC's manned bombers has been and may continue to be prolonged and extremely costly.

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to increase the significance of SAC in the overall defence budget. A return to this politically valuable concept, following a period when 'finite'—counter-city—deterrence was stressed, may result from McNamara's counter-force concept. This concept presumably requires larger striking forces than does finite deterrence.

[1] With the removal of two squadrons of *Jupiter* missiles from Italy and one from Turkey—thirty and fifteen missiles respectively—the Army's role as a strategic (as opposed to tactical) nuclear power will come to an end. Until December 1956, the Army was to have developed the missile for the *Polaris* project.

The first-line hope of the bomber interests in this battle was the B-70, unenthusiastically received during an early round of bargaining within the Defence Department during the Eisenhower Administration (President Eisenhower impounded $195 million of a $345 million B-70 appropriation in the fiscal year 1960). The Kennedy Administration, after a brief acceptance of the Air Force super-bomber, also arrived at the conclusion that the B-70 was only a 'manned missile', and consequently restricted the B-70's rate of development. When presented for approval again last year, however, the B-70 had been renamed the RS (Reconnaissance-Strike)-70, and had supposedly become 'more than a bomber. [It] could be used for flying radar detection and as a missile-hurling base.'[1] Presumably these functions would include surveillance of bomb damage, location of additional targets, and on-the-spot decision-making as well as the long-range launching of *Skybolt*-type weapons. Like the Navy, the Air Force had apparently tried to create a new role for its manned bombers that would both help to preserve the prestige of SAC and also mitigate the effects of a wasteful internal struggle between manned aircraft vested interests and missile system innovators during the slow transition into the new technology.

With the slow-down imposed by the Defence Department on the development of the RS-70, the *Skybolt* missile came to represent SAC's last technological argument for manned bombers as opposed to missiles. *Skybolt* was originally conceived as a manned-bomber answer to the second-strike *Polaris* solid-fuelled missile system, in much the same way that *Minuteman* was designed to be the missile Air Force's solid-fuelled answer to the popular Navy weapons system. With the cancellation of *Skybolt* (if this decision is not in some way reversed by Congress) the triumph of missiles over manned bombers will be speeded up by several years, with a consequent large saving in dollars; Mr McNamara has estimated the cost of the RS-70 at $10,000 million and the saving on *Skybolt* at $2,000 million. In the view of advocates of mixed nuclear retaliatory forces, however, this dollar-saving would mean the sacrifice of overall military effectiveness.[2]

The nature of the Air Force counter-attack against the Administration's attempt to end the *Skybolt* controversy before Congress could mobilize any sort of effective counter-action was partially revealed during the first week in January. It was announced that the Air Force was studying ways of using the knowledge gained in the *Skybolt* programme for

[1] *New York Times*, 9 March 1962.

[2] Secretary McNamara, on the other hand, has pointed out that Defence Department plans include the mixed force concept—and the hundreds of remaining SAC aircraft—for the 1964–8 period. SAC advocates, however, do not regard these plans as taking into account the need for manned bombers in the 1970s, nor do they allay their suspicions of Defence Department planners, already suspect because of the *Skybolt* decision.

other purposes, with the missile itself perhaps becoming the vehicle for advanced space probes. This possible use of *Skybolt* represents in the long run the same kind of change of mission that characterized the change of the B-70 to the RS-70 and the (more successful) change of the aircraft-carrier into a predominantly limited-war weapon.[1] In the short run, the provision of an alternative use for *Skybolt*, in the hope that the programme would be at least temporarily continued, makes the parallel between *Skybolt* and the RS-70 even more complete. Not only have both programmes been opposed by the Administration for similar strategic and political reasons, but also the *Skybolt* programme—if continued in any form at all—could be presented to Congress as a continuing programme, although in a state of incipient decline, just as the RS-70 programme was presented last year when it was successful in obtaining Congress support. With a dead programme, on the other hand, what help could the supporters of *Skybolt* expect from Congress; what good would funds do for a dead programme? The timing of the *Skybolt* cancellation—with orders to stop work being hastily given before the return of Congress to Washington—was presumably designed to stymie Air Force lobbying with Congress.

In the Defence Department argument against *Skybolt* early in December, technical difficulties, soaring costs, and diminishing military value were put forward. Because of the overriding character of the conflict over the role of manned bombers, however, arguments concerning the technical feasibility or even the expense (within reason) of the *Skybolt* project were basically irrelevant. Had there been no technical, and hence fiscal, complications, the McNamara decision, founded on the opinion that *Skybolt* 'combined the weaknesses of the bomber and the missile, and would have had the lowest accuracy, reliability, and yield of any of our strategic missiles',[2] would probably have been the same. The significance of *Skybolt's* technical difficulties lay in the timing of the cancellation; it came at a time when technical difficulties added political leverage to the Defence Department's case against manned bombers. In face of the five successive flight test failures of *Skybolt*, the Air Force argued that the *Thor* missile (now a successful space booster) and the now highly successful *Polaris* A-1 missile had also been plagued with early difficulties, and that the failures of even the *Polaris* A-3 missile were keeping pace with the *Skybolt* failures.[3] Furthermore, on 22 December, the day after

[1] In late December, a possible compensation for the Air Force's loss of *Skybolt* appeared in the decision by the Defence Department to release $24 million—a small fraction—of impounded funds that had been appropriated for the *Pluto* missile. Politically, this decision may reduce the Air Force reaction to the *Skybolt* cancellation.

[2] *The Times*, 31 January 1963.

[3] In a manœuvre not uncommon in the fierce competition between supporters of rival weapons systems, one Air Force source was reported to have contended that only one of the five tests had been a 'failure'; the other four had been 'partial

the conclusion of the Nassau Conference (in a test twice postponed by Washington, apparently to prevent an embarrassing success during a conference founded partially on *Skybolt's* lack of success), the Air Force claimed a successful *Skybolt* firing, 'very close'—presumably within one nautical mile—to the full programmed range. In its desperation the Air Force was attempting to sabotage U.S. policy at the highest level. Abandoning the implied logic that test results connote technical feasibility, the Defence Department (Deputy Secretary Roswell Gilpatric) promptly countered that one success in six tests was not conclusive. Despite the objections of the Air Force and the Douglas Aircraft Company, *Skybolt's* prime contractor, the Department of Defence then suspended all further tests, presumably because further testing could not justify a review of the decision to cancel.[1]

Within a week, the desperation of the Air Force became even more apparent, and the implication that test failures equalled infeasibility, or at least 'unacceptable' delays in development, reappeared. The Defence Department announced that the earlier Air Force statement had not been authorized and that the 'successful' flight had actually been a failure, with a computed flight error (since the missile, test-launched without a nose-cone, had burned up on re-entry) of between fifty-seven and ninety nautical miles. To this the Air Force replied—and this argument would have had some justification, had earlier claims not been made—that accuracy had not been a test objective. Whether the test was actually a success can never be known, since the definition of criteria for success cannot be agreed upon.

The rationale for the cancellation of *Skybolt*, partly based on the argument of technical infeasibility, diminishes still more when viewed against the opinion of the Joint Chiefs of Staff that the project could have been completed.[2] Even the JCS Chairman, General Maxwell B. Taylor, former military adviser to President Kennedy in the White House, was reported to have supported *Skybolt's* technical feasibility, although he opposed the missile's further development on other grounds.[3] The clue to the decision

successes', a phrase that has come to possess little meaning. The *Polaris* A-3, incidentally, succeeded at the seventh attempt on 7 February 1963.

[1] Cancellation of further tests may also have been designed to prevent further embarrassing successes. Testing, indeed, does not necessarily prove either technical feasibility or infeasibility.

[2] In addition, the cost of missile programmes has long been something of an unknown quantity, with final costs often far outstripping original predictions. If *Skybolt* had been favoured on other grounds, therefore, the cost factor would have been relatively insignificant. On the other hand, the complications posed by the agreement with Britain made technical and fiscal arguments all the more necessary. The 1959 agreement on *Skybolt* between President Eisenhower and Mr Macmillan was reported to have hinged upon 'the success of the project' (*New York Times* [int. ed.], 14 December 1962). Only technical infeasibility or spiralling costs—not strategic obsolescence—could, therefore, be cited to the British as grounds for cancellation.

[3] *New York Herald Tribune* (European ed.), 7 January 1963.

to cancel perhaps lies in the lack of publicity, prior to the Defence Department announcement of 6 December, concerning the technical difficulties encountered by the programme.[1] The overwhelming technical and fiscal arguments suddenly advanced against *Skybolt* in December lead one to speculate that these arguments did not carry as much weight in the actual decision to cancel as political considerations in the doctrinal dispute, manned bombers versus missiles.[2] Long-range technical considerations, of course, militate against the perpetuation of the manned bomber, but the sudden cancelling of this particular project, thereby shortening the time-table for phasing-out manned bombers by several years, was probably occasioned by the appearance of a political opportunity. The Defence Secretary used his position and skills to enforce a decision that, rightly or wrongly, the Kennedy Administration had charged him to make, despite opposition from the military and from Congress, which wishes to share in such decisions.

The conflict of organization

The second fundamental conflict that is involved in the RS-70 and *Skybolt* controversies is one of organization: will resistance on the part of the separate military services to the Defence Department's plans for centralization prevent Secretary McNamara from accomplishing his grand design, which is to rationalize America's defence organization? Secretary McNamara has previously run into stiff opposition on the question of centralization of power in his immediate office—opposition from Congress over, among other things, the so-called 'muzzling of the military'; from the press over curbs on interviews with Pentagon personnel; from Army Secretary Elvis J. Stahr, Jr, who, on retirement, charged the Defence Secretary with 'overreaching in personal control'; and from industry over proposals to regulate salaries reimbursable from 'non-competitive' government research and development contracts.

The question of the RS-70 and *Skybolt* may represent a sticking-point in the issue of centralization of control, beyond which service interests are not at present willing to proceed. If this is so, it would help to explain the common stand of the service chiefs within the JCS in favour of *Skybolt*—even before the 'successful' *Skybolt* launching on 22 December—

[1] According to Mr Thorneycroft, 'it was not until the beginning of November that Mr McNamara, while assuring me that no decision would be taken without the fullest consultation, informed me that the future of the weapon was under review.' *New York Times* (int. ed.), 18 December 1962.

[2] This argument further leads one to speculate that the revision of the relationship between the United States and the United Kingdom that grew out of the '*Skybolt* Affair' was an afterthought that was essentially independent of the doctrinal battle in Washington over the future of *Skybolt* in particular and the SAC bomber force in general. If this is the case, the implications of U.S. inability to deliver promised weapons to her allies or to consider her allies' political needs, because of domestic disputes among vested interests, are obvious. This may be one of the high costs of inter-service rivalry.

whereas a self-interested reaction of the individual services would hav been expected to place the Air Force Chief-of Staff (General Curti LeMay, former head, and still leading supporter, of SAC) in oppositio to the Chief of Naval Operations (Admiral George W. Anderson, Jr and the Army Chief of Staff (General Earle G. Wheeler).[1] Indeed, ex pectations of support from the other services—as well as from th missile Air Force—might well have contributed to the timing of th Defence Secretary's decisions to delay the RS-70 (presumably to 'stud it to death') and to cancel *Skybolt*. In the former instance, as Mr Mc Namara explained last March: 'The Secretaries and chiefs of the othe [than Air Force] services . . . never supported the B-70 for full-weapo system development or procurement and, indeed, many vigorousl opposed it.'[2] Defence Department references to the JCS position o *Skybolt*, on the other hand, have been minimized and the JCS positio may have been discounted as merely an expression of feeling agains centralization.

The attitude of General Taylor, who supported Mr McNamara's decision on non-technical grounds, could also be interpreted in terms o the issue of centralization. He had retired in 1960 from the position o Army Chief of Staff over a doctrinal disagreement in the JCS, and ha recently been called back to uniform from his position as Presiden Kennedy's personal military adviser.[3] Presumably, therefore, he coul have been expected to take more of a Kennedy–McNamara stand on th question of centralization than the three service chiefs.[4]

[1] In terms of inter-service competition for funds and for doctrinal superiority the Chief of Naval Operations could be expected, unless some 'bargain' wer struck, to oppose the SAC bombers in favour of funds for *Polaris*, the Navy wea pon in the same budget category; the Army Chief of Staff, to oppose *Skybolt* i favour of increased conventional strength; the Air Force Chief of Staff—if h were other than LeMay—to have mixed feelings. He would probably suppor *Skybolt* because it was an Air Force project but would be beset by loyalties to Ai Force missilemen.

[2] Quoted by Senator William Proxmire in the Senate, 13 June 1962. There ha been support from the services for the development (as opposed to production of the B-70, when the Navy's *Polaris* needed Air Force support. (See Hearings Senate Armed Services Committee, 1961.)

[3] General Taylor's '. . . failure to win Administration support of heavy invest- ments in the *Nike Zeus* Project contributed to his retirement from the Army tw years ago'. *New York Times* (int ed.), 13 December 1962. The importance of ser- vice political strength in doctrinal conflicts is reflected in the observation that, al- though the Chairman of the JCS is committed to the *Nike Zeus* anti-missil missile, the Administration has not yet permitted it to be produced, nor has Con gress reacted to Administration obstinacy as in the cases of the RS-70 and *Skybolt*

[4] General Taylor's replacement of the previous JCS Chairman, Army Genera Lyman Lemnitzer, now Supreme Commander of NATO, may have been a attempt by the Administration to add top-level military support to Mr Mc- Namara's efforts for centralization; the *Skybolt* stand of the other three JC members may, therefore, have reflected resistance to such an alliance. Indeed, General Taylor had expressed strong views on centralization in his book writte in retirement, *The Uncertain Trumpet* (New York, Harper: London, Stevens, 1960).

Resistance from the military against centralization of control within the Office of the Secretary of Defence has also led to misgivings about the making of decisions on weapons systems on a 'cost-effectiveness' instead of 'military-judgment' basis—that is, comparing the cost of a weapons system in relation to its 'effectiveness' with the cost and effectiveness of a competing weapons system. As in the case of the RS-70 and *Skybolt*, however, the terms in which effectiveness is expressed vary. If one assumes the dominance of missile technology, then manned bomber systems are at a disadvantage. If one assumes the need for mixed nuclear retaliatory forces, then manned bombers must be allowed an added, subjective quantity of effectiveness; as has been argued, economy must not stand in the way of military security. Where there is agreement over doctrine, therefore, cost-effectiveness can be a useful tool (given the difficulties of estimating costs); where there is disagreement over doctrine, cost-effectiveness becomes merely a means of obscuring the politics of disagreements, based on subjective, but not necessarily unimportant, strategic philosophies and on vested interests.

As a result of the RS-70 and *Skybolt* controversies, where doctrinal clashes and bargaining over military alternatives have tended to be buried beneath a mass of purportedly objective evidence, the resolve of those in the services—and in Congress—who oppose the Defence Department's policy of centralization may be strengthened. Centralization has so far not eliminated bargaining: until and unless it does so, the use of 'objective' arguments to obscure bargained or subjective premises will still be an effective weapon—for good or evil—in the hands of whoever can muster the most impressive expert opinion on his behalf.[1]

The second part of this article, depicting the role of Congress in the RS-70 and Skybolt *controversies, will appear in the April issue of* The World Today.

[1] Senator Leverett Saltonstall (Republican, Mass.) stated in the Senate, 13 June 1962: 'Dr Brown [Director, Defence Research and Engineering] took a dim view of the RS-70 programme. The military strongly recommend its accelerated development. One may place his faith in whomever he desires.'

The Communist camp ten years after Stalin

JANE DEGRAS

WHEN representatives of the national communist parties met in conference in Moscow in November 1957, twenty-two years had passed since the previous international communist gathering. The seventh and last congress of the Communist International in 1935 was followed eight years later by its dissolution, and although, in 1947, a restricted organization was founded—the Cominform—it lasted less than a decade and, apart from marking a new departure in Soviet post-war foreign policy, did little except expel Yugoslavia from its ranks less than one year after its foundation.

The dissolution of the Comintern in 1943 was the act of one man; it was scarcely even pretended that the decision was taken collectively, although endorsement followed in the by then customary routine manner. Wounded feelings could be safely ignored just as, four years earlier, the confusion and dismay in communist parties, when the Stalin–Hitler pact was signed, could be disregarded in the Kremlin. The Comintern was by then a moribund organization, virtually forgotten by the Soviet leaders, and all communist parties could be relied on to fall automatically into line; even if they did not, little harm was done. The Soviet Government could go ahead without any fears that its policies would be hampered or frustrated by ideological dissidents.

Now, ten years after Stalin's death, the international communist movement is in greater disarray than ever before, and this time, although there is no formal organization to be divided or from which to be expelled, the issues at stake are live ones and of possibly great significance for the future. How indeed could it be otherwise? Once Russia ceased to hold her unique position as the only country with a communist Government, changes in the structure and temper of the international communist movement were bound to occur, quite apart from the death of the old dictator. Granted that the process of destalinization within the U.S.S.R. imparted a violent impetus to the forces making for transition from a monolithic to a polycentric movement, the change was inherent in the changed situation, and the forces at work have now reached a point at which a split may be unavoidable.

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Differences in the domestic policies of ruling communist parties could be admitted, and even fitted quite plausibly into the doctrinal communist framework, which in theory has always allowed for 'national peculiarities'; some differences in regard to foreign affairs could also be ignored or swallowed—as, for example, the difference between the French and Italian Communist parties in regard to the European Common Market. But differences on foreign policy among communist parties that are in fact the Governments of their countries call for authoritative judgment. This was obvious in 1956, in the Soviet attitude to Poland and Hungary respectively (though it was only one of the factors involved), and it is at the heart of the dispute now apparently approaching decision between the U.S.S.R. and China.

Two attempts have already been made to solve this problem, at meetings in Moscow in 1957 and 1960.[1] On both occasions the statements issued represented a compromise, designed to preserve at least outward unity. Now the Chinese Communist party has publicly asked for a third round (having privately proposed it in April 1962), and the C.P.S.U. has agreed in principle, though with reservations; no date has been fixed, ostensibly on the ground that passions should be given time to cool, but it is clear from all reports that the interval is to be used by each side to improve its position within the communist movement and to win support for its policies. A third verbal compromise would now serve no useful purpose.

Each side, of course, has misrepresented the position of the other, and each complains of misrepresentation. The Chinese (and/or Albánians) are accused of wanting to plunge the world into war, of failing to recognize the realities of the international balance of power, of underestimating the disaster of thermonuclear warfare; the Russians are charged with having abandoned communist positions, sacrificed the independence of small countries and the cause of the 'national liberation struggle' to 'appease imperialism', as the imperialists sacrificed Czechoslovakia at Munich, and of having confused unwarranted aggression with legitimate defence in their attitude to the Chinese-Indian conflict. Both sides quote the communist classics in support of their arguments, but these are no longer advanced in theoretical terms only; the veil of anonymity, too torn and transparent to serve any longer, has been largely discarded.

In essentials, the conflict reflects the material differences in the positions of the U.S.S.R. and China. The Soviet Union is recognized as one of the two major world Powers; she has no direct territorial ambitions or irredenta—indeed, in relation to China, she may one day have frontiers to defend, demarcated on Soviet but not on Chinese maps. If she contemplates action to shift the world balance of forces in her favour, she

[1] See 'Moscow and Peking Agree to Differ' in *The World Today*, February 1961.

now finds that economic inducements offer the least risky course. But in order to be able to offer these on a sufficient scale, conflicts likely to interfere with plans to improve and expand the Soviet economy must be avoided. For, notwithstanding all the claims made, the Soviet economy is still failing to give satisfaction. Last November Mr Khrushchev announced another major change to step up production in industry and agriculture—not, this time, in the organization of the economy itself, as happened in 1953, 1956, 1957, and again in the spring of 1962, but in the organization and functions of the Soviet Communist party, which henceforward is to be divided, at every level, into two parts, one to supervise industrial affairs, the other agriculture. The Soviet Premier is clearly disappointed with the results of his previous experiments—reducing the number of Ministries and then starting new ones; dividing, reuniting, and again dividing the planning commissions; decentralizing and recentralizing administration; granting wider powers to factory managements, and complaining of parochialism when difficulties arose; alternating material inducements with administrative direction. How the new scheme will work out is anybody's guess; all one can be sure of at the moment is that the economy, above all agriculture, has failed to respond to the demands made on it.

If the U.S.S.R. is to be in a position to compete with the United States in offering assistance to the developing countries, her economy will have to provide a far larger surplus above national needs than it does at present. The good relations established with the Governments of most of the new and newly independent States means that the Soviet Union has no need to encourage the local communist parties as indispensable allies; revolutionary action on their part might indeed prejudice rather than favour the Soviet position. It is true that Mr Khrushchev is beginning to question the political efficacy of economic aid, and his disappointment has not been concealed. It came clearly into the open when a parliamentary delegation from the United Arab Republic visited Moscow in May 1961, and in subsequent articles in the Egyptian and Soviet press. At the *Sozialistische Einheitspartei Deutschlands* (the East German Communist party) congress in Berlin in January 1963 Mr Khrushchev referred to the efforts of 'the imperialists' to seduce the newly independent countries: 'Some statesmen in these countries do not always assess the situation correctly.' They tended to confuse neutralism with impartiality as between communism and imperialism. The military blocs did not mark the only line of division in the world; the two social systems could not be equated with the two blocs. A few days later *Pravda* took up the same theme in connection with the ban on the Tunisian Communist party. Did the Governments which had recently attained independence have to follow the example of fascist dictatorships and reactionary militarist regimes? Such actions were incompatible with their professed aim of 'building socialism'. The Soviet

leaders have tried to persuade these countries that they can dispense wit help from 'the neo-colonialists' and get what they need from 'the socialis camp', and it must be particularly irritating to find them behaving in thi way precisely when the Chinese are attacking the U.S.S.R. for being 'to soft' on the neutralists.

The position of China, with her unsatisfied territorial demands, is s different that she is bound to pursue different policies. Although poten tially the strongest Power of all (700 million people are, after all, as un conventional a weapon as an H-bomb), the relative backwardness of he economy, and hence of her military standing, prevents her for the tim being from exercising the power in world affairs to which she lays titl She is thus not in a position to enforce her claim on Formosa; nor, whil that situation remains unchanged, can she seek—let alone reach—a understanding with the United States. Moreover, her own needs are s immense that she can ill afford help for other countries. Loans to Albani were, of course, an imperative once Soviet aid had been withdrawn; i addition, substantial credits have been offered (but not necessarily dis bursed) to North Vietnam, North Korea, Outer Mongolia, and Burm China does not seek to woo the neutrals (as the conflict with Indi showed), and she does not believe in the possibility of neutrality as be tween 'the two camps'. She can win outside support not from those wh now get help from both sides, but by promoting and encouraging all Gov ernments and movements hostile to the United States, and backing thos forces which, if successful, will take their countries into the communi camp. It must be one of the major counts in the Chinese indictme against Mr Khrushchev that unworthy neutralist 'bourgeois nationalist —even those which suppress their own communist parties, such as th U.A.R.—are given generous Soviet credits, while assistance to Chi has been virtually cut off.

If none of these considerations was made explicit in the recent polem cal interchanges, they were nevertheless unmistakable. In a long artic in *People's Daily* (31 December 1962) commenting on the congress of th Italian Communist party, Signor Togliatti was criticized for denying th fundamental antagonism between the two world systems, and for adv cating international class collaboration instead of international cla struggle; every revolutionary victory weakened imperialism, it w claimed, and defeated the forces making for war. Co-operation with th imperialists in developing the under-developed countries, as advocate by the Italian communists, was held to be a monstrous form of ne colonialism.

But it is over the question of war or peace that the argument has rage most fiercely and the reciprocal misrepresentations been most pr nounced. When put in theoretical terms, the argument turns on the di ference between 'avoiding' war while capitalism, the alleged origin ar

source of war, still exists, and 'the possibility of banishing' war; the Chinese do not agree with the latter formulation because it is equivalent to a *détente* with the United States. The same article in *People's Daily* contended that world peace could not be won by negotiations alone, without 'mass struggle'. It was claimed that nuclear weapons had not changed the foundations of Marxist–Leninist theory, and that the socialist camp was strong enough to obtain a complete ban on their use. The forces of peace were strong enough to frustrate the American policy of nuclear blackmail. But if the imperialists were mad enough to start nuclear war, this would end imperialism but not mankind; mankind would eliminate nuclear weapons, and not nuclear weapons mankind. The first issue of *Red Flag* for 1963 took up the theme: the Chinese Communist party had always maintained that war could be avoided 'provided the socialist countries persist in their policy of peace, and the people's revolutionary forces . . . unite in resolute and effective struggle against the imperialist forces of aggression and war, manacle the imperialists . . . and narrow down their sphere of operation'. The efforts of the 'modern revisionists', that is of the U.S.S.R., cowed by American nuclear blackmail, to restrict this struggle, coincided with the wishes of the imperialists and reactionaries and prejudiced the struggle for peace and peaceful co-existence. 'The "logic of survival" is the logic of slaves.' The argument that peace could be secured only by unremitting struggle against the United States was repeated at the S.E.D. congress by the Chinese delegate. 'Imperialism will never withdraw of its own accord from the arena of history.' President Kennedy's policy was one of 'global counter-revolution', aggression, blackmail, and war; the U.S. Government was 'the most vicious enemy of world peace'; it could be stopped only by 'the strength of a united revolutionary people'.

The fullest statement in reply to these arguments was an editorial in *Pravda* (7 January 1963). 'The most important, the most vital problem of our time is the problem of war and peace. In real life the choice is: either peaceful co-existence between States with different social systems, or devastating war. There is no other alternative. . . The socialist countries do not need war. They are successfully developing in peaceful conditions and will be victorious in the peaceful economic competition with capitalism. . . In contrast to these propositions, the dogmatists insist that nuclear war is not to be feared, that modern weapons are monstrous only "in the view of the imperialists and reactionaries", and that "the atom bomb is a paper tiger".' Peaceful co-existence did not imply *rapprochement* with imperialism, or cessation of the struggle against it; on the contrary, 'competition in peaceful conditions is one of the most important battlegrounds between socialism and capitalism.' Communist statesmen, the article stated, had 'to approach in a sensible way, with the utmost sense of responsibility, the evaluation of the inevitable consequences of a modern

thermonuclear war and not to repeat the outworn formulas of past centuries'. Mr Khrushchev in Berlin was equally emphatic: 'The struggle for peace is the most important condition of the struggle for socialism... The ultimate purpose of peaceful co-existence is to safeguard the most favourable conditions for the victory of socialism in peaceful competition with capitalism.' To deny this was to abandon Marxism–Leninism; to say that the road to socialism lay through war was particularly repulsive today, and would certainly repel the working people.

The argument took on an added sharpness as new Chinese grievances were added to old ones. The Cuba affair aggravated China's fear of a possible *détente* between Moscow and Washington, which would mean even less Soviet support for Chinese claims than they have so far received. China is naturally resentful at the failure of the Soviet Union to back her case against India; and she is insulted by the warmth of the reception given in the Soviet Union to Marshal Tito. On the first question, the Chinese attack has been sharper than ever before. China, said the *People's Daily*, did not call for the establishment of a missile base in Cuba, nor obstruct its withdrawal. 'What we did strongly oppose, still strongly oppose, and will strongly oppose in the future, is the sacrifice of another country's sovereignty as a means of reaching a compromise with imperialism. A compromise of this sort can only be regarded as hundred per cent appeasement, a "Munich" pure and simple.' These charges Mr Khrushchev has countered by describing the Soviet action as an operation which rescued the world from the brink of thermonuclear war, a triumph of reason which frustrated aggressive U.S. designs on Cuba and secured the independence of that country. The recent congresses of the Bulgarian, Hungarian, Czech, Italian, and East German Communist parties emphatically endorsed this interpretation, none more emphatically than Mr Gomulka, who asserted that 'without the U.S.S.R., no single socialist State could hold its own in the struggle against imperialism'.

On the frontier conflict the language on both sides was more restrained. Mr Wu in Berlin said that India's aggression against China was the result of her 'increasingly reactionary domestic and foreign policies'. At home she was suppressing the people; externally she was becoming more and more dependent on imperialism. Unfortunately, she was supported by 'some self-styled Marxist–Leninists'; the Chinese action was the natural and wholly justifiable response of a Government whose frontiers had been violated. On the other side, the critics of China did little more than deplore the outbreak of hostilities—Togliatti called it 'irrational and absurd'—and express hopes for an amicable settlement. Whatever the long-term implications and the effect in India itself, this question does not appear to be a major cause of immediate dissension in the communist camp.

Marshal Tito, however, is once again the centre of bitter controversy. After 1948 the Yugoslav communists were not invited to attend com-

munist party congresses (except as observers) until the meeting of the Italian Communist party in December 1962. In 1960, at the Moscow meeting of eighty-one communist parties, the Yugoslavs were treated as outsiders, and their particular brand of 'revisionism' was condemned as the greatest danger in the communist movement. Since then Mr Khrushchev has certainly changed his ground; the marked *rapprochement* between Moscow and Belgrade has been underlined and publicized by reciprocal visits by the respective Heads of State, and Marshal Tito was given the honour of addressing the Supreme Soviet at its December 1962 session. At the Italian communist congress, and even more at the S.E.D. congress in the following month, the Yugoslavs were the target of Peking's most virulent attacks. 'The Tito clique,' said Mr Wu, 'is a special detachment of U.S. imperialism for carrying out the latter's counter-revolutionary global strategy.' They were undermining international unity; capitalism was being restored in Yugoslavia. The Marshal himself charged the Chinese leaders with the desire 'to push the world into war . . . [they] would not care if tens of millions of people were killed'. *People's Daily* (27 January 1963), commenting on the S.E.D. congress, where the Chinese delegate was shouted down from the floor and called to order by the chairman for attacking 'fraternal Yugoslavia', referred to this 'outrageous' behaviour, and made the attitude to Yugoslavia the test of a genuine Marxist–Leninist. It added some telling quotations from earlier statements by Mr Khrushchev on 'the dangers of Yugoslav revisionism'. By contrast, Mr Khrushchev, perhaps mindful of the obstacles on the road that led back to a Soviet-Yugoslav reconciliation, has not slammed the door on Albania (invited to none of the recent communist party congresses); while condemning the folly and errors of her leaders, he has allowed that Albania is still a socialist country.

Both sides are now preparing for the conference which they have agreed should be held. If alignments were already clear and fast, there would be no reason for delay—there might indeed be little reason for a conference at all. It is generally assumed that the great majority of the eighty-odd communist parties will be found on Moscow's side. Where communist parties are in power and the choice is one that may have consequences in matters of foreign policy, positions have for the most part already been taken up. China can count only on Albania, North Korea, and probably on North Vietnam, whose position is extremely delicate; she has a frontier with China, across which aid from the U.S.S.R. is received. She has so far refrained from committing herself. Mongolia has made clear her adherence to Moscow; so, too, have the East European communist Governments, but they cannot be happy about the prospect of a split. In 1948, when the break with Yugoslavia occurred, its repercussions in their countries were little short of disastrous; and although Mr Khrushchev is not Stalin, and refrains as far as possible from intervention in their internal

affairs, a split on this scale would almost certainly lead to a tightening of the reins, at any rate to a diminution of tolerance for deviations.

Of the other communist parties, the Indonesian and perhaps the Burmese may well support China, while the Indian and Japanese could split on this issue. The Chinese case is likely to make an appeal in a variety of circumstances; it may be attractive both to strong communist parties which believe they have a fighting chance of gaining power, and to weak ones which have nothing to lose by championing a primitive and undiluted version of communism. For the communists of many Latin American countries, too, the Chinese hold some court cards—unrelenting hostility to the United States, the argument that the U.S.S.R. has betrayed Cuba, and the emphasis on the peasant in the Chinese revolution, with its particular impact in countries where agrarian reform is long overdue. But it is at least doubtful whether these considerations will outweigh the prestige of Moscow's position, both historically and internationally, and the fears engendered by Chinese bellicosity.

To a large extent the dispute is still being conducted in terms of a theoretical analysis of the world situation. This is not wholly a concealment device (in any case, every observer of the scene carries a recognized translator's guide for converting the terms of the dispute into practical politics). No communist party could stake a claim to leadership in the communist movement without attempting to legitimize the claim by tracing its true succession from the acknowledged founders. Mr Mao Tse-tung is now claiming ideological leadership—the authority to interpret the classics, to pass judgment on the international situation, and consequently, and most important, to indicate the direction in which the communist movement is to advance. If Mr Khrushchev has never explicitly claimed this position for himself, he is understandably unwilling to allow anybody else to assume it. He has recognized that economic pressure is not going to bring the Chinese into line (the value of the fourteen main agricultural commodities imported by Russia from China fell in 1961 to less than one-tenth of what it had been in 1959, and Soviet exports to Bulgaria are higher than to China). He also recognizes that the compromise of 1960 was no more than verbal. His presence at the S.E.D. congress, and his absence when the Chinese delegate spoke, suggest that further compromise has been ruled out. The *People's Daily* may give warning that 'it is time to rein in on the brink of the precipice,' that 'we must firmly uphold unity and oppose a split.' But since it adds that the unity must be 'genuine' not 'sham', this suggests that Peking, too, is unlikely to agree to a mere verbal reconciliation. Meanwhile, the two sides are expounding their respective cases, between which, despite Mr Gomulka's brave words—'there are more things that unite us than divide us' —the divergence shows every sign of widening.

The challenge to India's integrity

CHANAKYA SEN

THE Indian Union was born to a challenge of disintegration. Independence was accompanied by partition of the sub-continent into the two Dominions of India and Pakistan. Within the Indian Dominion 500 or so princely states were left with theoretical paramountcy. Before the process of integrating these states with the Indian Dominion was completed, there was fighting in Kashmir involving the two new States. There were mass communal and religious killings and a terrible uprooting of population. Even internal physical integration could not be achieved without 'police action' against the Nizam of Hyderabad.

In many countries such grave internal and external threats might have given rise to an authoritarian State. But the democratic convictions of the Congress party leaders were so deep and the liberal democratic tradition of the Indian struggle for independence was so strong that the country deliberately, and with a full sense of responsibility, chose a parliamentary system of government. The Constituent Assembly met against an unsettled background, but the Constitution it framed guaranteed fundamental human rights, recognized the dignity of the individual and the sanctity of private property, and extended the right of universal suffrage to some 340 million people, 70 per cent of whom were unable to read or write. It worked out a viable compromise between a federal and a unitary form of government, gave the Provinces substantial local autonomy, and, at the same time, vested the Central Government with sufficient powers to maintain the integrity of the country at times of emergency.

As soon as the Central Government was able to settle down to its job, it began to work in terms of planned economic development under state initiative. It declared its objective to be an informed political democracy supported by an adequate economy and proclaimed as the ultimate goal a socialistic structure of society. Thus, even before administration of the country could be fully integrated and a modern economic infrastructure built up, the Indian leaders deliberately plunged the nation into a gigantic struggle for democratic equality. This struggle released diverse contradictory currents of hopes and aspirations, many of which threatened to erode the very unity and integrity of the Union. Yet they were the inevitable off-shoots of the democratic experiment upon which India had boldly embarked.

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This experiment has attracted the attention of the whole world, and deservedly so, for nothing on so vast a scale, and with so many imponderables, has ever been attempted before. Democratic nations have undertaken a policy of industrialization with the minimum of government participation and direction. Relatively backward countries like Japan have leapt forward to progress under authoritarian rule. Communist countries like the Soviet Union have moved forward under government control and planning, but without democratic freedom. But the world has yet to see a country as big as India, with so vast and divided a population, with appalling poverty and a complex social system, make rapid strides towards industrialization, with government participation and under government direction and yet keeping intact its democratic set-up, the rule of law, and the liberty of the individual to dissent and differ. This is the Indian 'miracle'.

Not that it has been a miraculous success; the pace of economic progress has been far from rapid. But it has not been a failure either. The country has had three general elections in total freedom, and the illiterate electorate has shown remarkable political wisdom. Two five-year Plans have been completed, albeit with shortfalls in key sectors; the third has now been launched. If this Plan can be completed, even on the scale of the first two, India should be able to achieve an industrial base, and then make a bid for the much-coveted take-off stage.

External dangers

Within the last few months, however, an entirely new situation has suddenly arisen. Neither the British rulers nor the Indian leaders had envisaged, at the time of independence, that within fifteen years India would have to face massive aggression from China (or from any other big Power). The hostility of Pakistan had been taken into account. But Pakistan was an infant State; she might harass and irritate India, but she could never be a menace to her freedom. Even when Pakistan embarked on a policy of accepting U.S. military aid, and the Government of India lodged an indignant protest with Washington, she knew that the U.S. Government would not permit Pakistan to launch aggression against her.

The Government of India, therefore, did not consider that it was called upon to spend an unduly large amount on national defence. The army was maintained on an operational level which could enable it to repel any attack from Pakistan. But it was short of equipment. The purchase of equipment from abroad meant either spending valuable foreign exchange or paying a political price; the Indian Government was not ready or willing to undertake either. To ask for arms aid would have been a departure from its policy of non-alignment; and the home manufacture of sophisticated weapons of war required an industrial base which was still to be

constructed. The armed forces, therefore, had to be kept relatively small for a country of India's size, with 3,500 miles of land frontiers and almost an equally long coastline—not more than 600,000 men, rather modestly equipped. Even to maintain this army the Central Government had to spend over a third of its annual revenue. Every Finance Minister, in presenting his Budget, bemoaned this 'necessary evil', and stated that he would have preferred to be able to spend the money on much-needed development projects.

The recent Chinese attack has demolished many of the premises on which the 'Indian miracle' was proceeding. During the past few years, India had worried a great deal about internal forces of disintegration (all of them resulting from her struggle for a democratic way of life); suddenly she has found her integrity threatened by foreign aggression. This situation has lent a new perspective to Indian thinking. All of a sudden she has been forced to realize that her integrity and independence depend upon her ability to defend herself from a powerful neighbour.

In face of the Chinese attack, the Indian people have stood more firmly united than ever before in their long and ancient history. The great emotional upsurge which has swept the country is all the more remarkable because it has risen from the grass-roots. The Chinese invasion found the national leadership in considerable emotional disarray, no less conspicuous than the country's military and diplomatic confusion. But the spontaneous rallying of the entire people behind the leadership of Mr Nehru reinforced his strength at the weakest moment of his career. All divisive forces suddenly withdrew, all controversies were hushed. The state Governments placed their entire resources at the disposal of the Union; they even surrendered some of their fiscal prerogatives. Leaders of separatist parties affirmed the unity of the country; trade unions withdrew strike notices; employers called off lock-outs. And all this happened even before the emergency was proclaimed. Newspapers and party leaders did not hesitate to criticize the Government for its failures; but not one voice has been raised in doubt of the national integrity and unity of the Indian people.

Defence problems and relations with Pakistan

Such emotional unity, however, valuable as it is, does not in itself protect a country from external aggression. The crux of the problem of India's national integrity is now a matter of arms and economics. The country must have adequate means to defend its frontiers against aggression from a big Power; it must, at the same time, carry forward its basic struggle for economic progress. Failure in either field will pose a real threat to India's integrity.

For some years to come the main national preoccupation will be with defence. But defence does not only mean a bigger army and better wea-

pons; it also means physical development of the land frontiers which have leapt back into prominence after a spell of 200 years.

During the last fifty years of British rule, every care was taken to keep these frontiers 'dead', against the threat from Czarist Russia (and possibly from Imperial Germany). Generations of Indians grew up in the lulled complacency that the north-west and north-east frontiers, guarded by the 'impregnable' Himalayas, afforded the country priceless security. Now that security has collapsed. Not only have the traditional invasion routes from the north-west sprung back to life; the Chinese have shown that the north-eastern frontiers are even more vulnerable.

The map of Asia reveals at a glance how indefensible the Indian sub-continent is except taken as a whole. In no respect has the division of the sub-continent into two mutually hostile States been so grievous as in the matter of defence. The present situation, with East Pakistan lying athwart the Indian states of Assam, West Bengal, and Bihar, and the centrally administered areas of the North-East Frontier Agency, Manipur, Tripura, and Nagaland, makes any strategy of defence immediately ineffective. The easternmost states are linked with the rest of India by a narrow corridor in the north, connected by a metre-gauge railway system from Katihar in Bihar state. A rail journey from Calcutta to Tezpur, in Assam, takes the best part of four days. It is not even a direct rail link, and involves a ferry across the Brahmaputra. The strategic lines of communication with the eastern states are, thus, either by costly and cumbersome air routes over-flying East Pakistan or through the highly vulnerable northern corridor.

This is an extremely perilous situation. To the north of the narrow neck of West Bengal lie Sikkim and Bhutan, two principalities with which India has special relations. This narrow neck also touches a part of Tibet. To the south is East Pakistan, at points no more than thirty miles away. An Indian defensive force in this area would, therefore, have no room for deployment and regrouping. It is relatively easy for any powerful invading army to seal off the whole of Assam, NEFA, Manipur, Tripura, Nagaland, Sikkim, and Bhutan. It can easily approach the highway leading into Bihar. And once West Bengal and Bihar fall to an enemy, India loses her richest industrial and mineral areas as well as her most important city, Calcutta. The north-western flank is only slightly less vulnerable. Chinese planes concentrated in Ladakh are within 500 miles of Delhi.

The economics of defence for India is, therefore, mixed up with the geopolitical aspects of the defence of the sub-continent. Sooner or later, there must be a *rapprochement* with Pakistan, unless both countries are eventually to accept communist tutelage. For the present, however, it is difficult to see how such a *rapprochement* is to be brought about. There is not only the problem of Kashmir, which no Indian Government can

hand over to Pakistan, and without which no Pakistani Government can come to an agreement with India. The basic problem is one of deep distrust between the two countries. The present generation of politicians in India and Pakistan have grown up against the background of Congress-Muslim League animosity. It is difficult for them to live down the past and to turn a new leaf of friendly collaboration. Moreover, Pakistan has been born of hatred for India, and her people have been fed on this hatred for the last fifteen years. Few Indians are satisfied that, given Kashmir, Pakistan will not ask for something more. Reports reaching New Delhi from reliable sources stated that, when the Chinese armies had almost reached the plains of Assam, the East Pakistan leaders, who have managed o occupy vantage positions in President Ayub Khan's Cabinet, were pressing him to march troops to the areas of southern Assam, where the majority of the population is Muslim. Whether this was true or not, it hows the serious psychological aspect of the Indo-Pakistani problem. Public opinion in India has been greatly dismayed by Pakistan's unconcealed attemps to make political, diplomatic, and even military capital out of the Sino-Indian conflict.

The problem is difficult. But it will have to be resolved sooner or later f the Indian sub-continent is to be physically protected from communist ggression. There is already a growing realization in India that the tradiional pattern of thinking with regard to defence will no longer do. This s the durable impact of the Chinese invasion. The Chinese did not come o conquer India; but they have opened India's eyes to a new assessment f the situation.

eaction to the present situation

Faced with these realities, India cannot afford to rely any longer on neans which have so far paid only a modestly profitable dividend. Her pproach to domestic as well as international questions is bound to undero major changes, the most important of which are likely to be in the elds of defence and economics. On developments in these two fields vill largely depend her future as a sovereign political entity.

The accumulation of sufficient defence strength will entail enormous xpense. The Finance Minister, Mr Morarji Desai, has hinted that the efence budget will have to be doubled. The Budget for 1962–3 allocated or defence about £280 million out of a total central revenue of somehing above £1,000 million. Doubling the defence budget for the coming nancial year will mean spending on defence about half the central income at the existing rate of taxation. Since this normal budgetary defence llocation does not include most of the capital outlay on defence, which vill now claim a much larger amount, overall military expenditure will robably be in the region of between £700 million and £800 million.

In contrast to pressure upon the Government from a powerful section

of the press to seek massive assistance from the United States, the Government's line of thought at the present moment seems to be that, while essential help in the form of transport and fighting equipment must be accepted, India should continue to try to build up an industrial base in order to meet her own defence requirements. This was the plan devised by Mr Krishna Menon with Mr Nehru's full approval; and although Mr Menon is no longer in the Government, his ideas on the production of defence equipment remain. It is generally recognized in India that too great a dependence on the United States for arms would jeopardize the country's independence in both its domestic policy of building a socialistic economy and its foreign policy of non-alignment. There is no inclination in New Delhi to abandon the prospect of Soviet assistance, nor to lose the political advantages which a policy of non-alignment seeks to obtain. Moreover, for the present the U.S. Government does not seem to want India to lose favour with Moscow; nor does the Soviet Government appear to object very strongly to India's acceptance of limited quantities of defensive weapons from the United States.

So long as the U.S. Government insists on a settlement of the Kashmir problem as a condition for large-scale and long-term military aid to India, the chances of military collaboration between India and the United States must necessarily remain limited. Equipment supplied by the United States and Britain at the time of the Chinese emergency, valuable as it is, will not make much difference from the point of view of a long-term arms build-up. And if joint Commonwealth–U.S. arms aid over an unspecified period is not to exceed $100 million, as reports from Washington suggest, the burden of building up a sufficient military 'deterrent' to China (which seems to be Mr Nehru's objective over the next five years) will fall squarely on India's own shoulders.

Economic developments

The agonizing question for India is whether she can carry this burden and still go ahead with her plans for economic development. If she can, there should be no danger to her integrity as a democratic nation. If she cannot, it is doubtful if she can function very long as a democratic republic.

A remarkable feature of India's economy over the last decade has been the conservatism which has gradually crept over her revolutionary zeal. When Indian leaders describe the economic revolution as 'peaceful', they mean that it has been 'painless'. The agrarian reforms have stopped half-way; at present the landed class happens to be the most privileged economic class. Agricultural income is not taxed. Land revenue which comes within the bounds of state finance is among the lowest in the world. Neither the Planning Commission nor the Taxation Inquiry Commission has suggested an agricultural income-tax; a recent move in

the state of Uttar Pradesh to raise the land revenue rate nearly brought down the Ministry. In spite of the 'socialist' experiment, the disparity between rich and poor has increased rather than decreased. There is in present-day India more concentration of wealth than in any European country, including Western Germany. A handful of business houses control an extraordinarily large share of private industry; they also control the mass-circulation newspapers. No amount of persuasion has succeeded in bringing out hidden wealth; huge arrears of income-tax continue to remain unpaid; gold hoarded by moneyed people (apart from the large Hindu temples) is officially estimated to be worth £13,000 million, little of which has been invested in the emergency gold bonds. This control over internal money resources enables the wealthy class to exert considerable influence over economic planning or, rather, on the execution of Plan projects.

Even during the present emergency the richer classes have contributed relatively little to the National Defence Fund and the gold bonds. This has been the subject of criticism in newspapers (not controlled by the big commercial houses) as well as by political leaders, including Mr Nehru and some members of the Congress party. What is significant is that even in devising emergency plans to meet the Chinese threat, the Government has so far attempted no structural changes of the economy, and it is doubtful if the leadership of the Congress party can do so, at this stage. A revolution which has spent itself is scarcely capable of gathering new momentum.

The economics of the third five-year Plan would seem to underline the painless nature of India's ambition of growth. The Plan calls for a total outlay of nearly £10,000 million—£4 per head per year. Of this, the Union and state Governments are to find £6,000 million; the rest must come from the private sector. The planners hope that 30 per cent of the finance from the public sector will be forthcoming in the form of external assistance. The Central Government and the states are required to raise £1,320 million by means of additional taxation (this will now have to be considerably increased if the defence bill is to be met and the essentials of the Plan carried out). Economists doubt whether the Indian people, already one of the most heavily taxed, can be made to yield this amount. The annual rate of increase in the income and corporation taxes does not exceed £10 million. An annual increase of 5 per cent in exports is considered quite satisfactory. (This modest rate was achieved in the last financial year, but during 1962 imports have fallen.) Industrial enterprises of the Central and state Governments, other than the railways, are expected to contribute over £340 million towards the resources of the Plan; but it is doubtful if this can be achieved.

This situation brings out the major contradiction of the Indian 'miracle'. The Indian cake is too small; but 440 million people are jostling

vith one another for the lion's share. The struggle for democracy is basic-lly a struggle for an equal share of the cake. The struggle becomes more nd more acute as the demands of the people increase without a compar-ble increase in the size of the cake, and the prospect becomes almost ıopeless in view of the rapidly rising population rate.

)isintegrating forces and the outlook for the future

These increasing demands from the mass of the people, who possess he ultimate political power, have brought to light during the past five 'ears many disintegrating forces. If the pace of the Indian revolution vere quicker, or if the country were under authoritarian rule, many of hese divisive forces would not have raised their head. To complain that he Indian masses have not been fully involved in the national economic ffort is to complain that India is a democracy; in a democratic society, a :itizen cannot be forced to participate in any project. Nor has the demo-ratic Government of India been able to devise rural projects which vould mobilize productively the country's biggest single source of trength, its manpower.

Major problems which threaten the unity of the country are inherent n the physical composition of the Indian Union. Nowhere is this more vident than in the linguistic field. India has at least fifteen 'national' anguages. Hindi is spoken by no more than 38 per cent of the popula-ion, and is less developed than at least four other Indian languages. It s not surprising, therefore, that the non-Hindi-speaking people should esent the official attempt to install Hindi as the 'language of the Union', ır the *de facto* national language. The linguistic controversy has an ad-litional edge because the Hindi-speaking belt, and notably Uttar Pradesh, he second largest state, occupies a predominant position in Parliament as vell as in the Council of Ministers. This political predominance is all he more envied by the non-Hindi regions because of the educational, :ultural, and economic backwardness of the Hindi belt. The struggle for :quality inevitably becomes a struggle for equality of all languages, eco-ıomic groups, and regional interests. At the root of the linguistic conflict ie complex economic and social issues—clamour for jobs, for the loca-ion of industries, for a bigger share of development. In order to woo the lliterate voter, politicians find it convenient to appeal to caste and group oyalties, regional interests, linguistic patriotisms, religious associations.)ne or two political parties even try to blackmail the national leadership ›y threatening 'separation'.

These are issues of the old India that is passing. Indians are essentially nen of compromise, and they generally have a shrewd sense of self-nterest. There are built-in weaknesses in the Indian Constitution but here are also considerable hidden strengths. Over the past few years, the endency has been towards strengthening the Central Government's

authority. Now, in the face of external danger, this tendency is bound to gather further momentum. Under Article 351, a national emergency has been declared, suspending fundamental rights and enabling the Central Government to mobilize the entire resources of the country. An official measure is now before Parliament to amend Article 19, thereby making all separatist moves unconstitutional. There is little doubt that separatist forces will suffer a major set-back and the centre will emerge from the national emergency considerably stronger.

At the same time, the old leadership is fast dying out, and the era of Mr Nehru is coming to an end. Within the Congress party, the centre of power has already shifted from the leaders in New Delhi to the more important of the Chief Ministers, especially of those states like Maharashtra, Madras, West Bengal, and Orissa where the party is better organized, less weakened by internal feuds, and where it gained considerable victories from the Communist party at the last election. The decline in power and influence of the Congress Working Committee and the Central Parliamentary Board has been counter-balanced by the growing command of the Congress party in Parliament, where the backbenchers are now more articulate than before. The base of the ruling party has been captured by the new landed gentry; traditionalist and conservative, they are more inclined to lean towards the Right than to the Left. There is, therefore, little prospect of a more openly Rightist party capturing power in the near future. The Leftist forces are divided between the scattered groups of Socialists and the Communist party, which, in spite of disciplined organization and a card-holding membership of 200,000, lacks an agrarian base and is at present passing through a deep ideological crisis. The army is without political ambition; its tradition, linguistic and caste composition, and leadership are guarantees against a military take-over unless there is widespread chaos and a collapse of political leadership.

The Indian Union is not likely to disintegrate unless it fails to carry forward its economic development and to meet the minimum demands of its teeming population, or unless it succumbs to external aggression. It is wrong to imagine that India's unity depends even largely on Mr Nehru's leadership. His successors (the plural is deliberate) are expected to be more practical, realistic men, ready to take more drastic measures to suppress divisive forces. But they may very well decide to compromise on democracy.

Breakdown at Brussels

J. R. LAMBERT

. . . It may sometimes have been thought that in making their applica tion to join the Common Market our English friends were agreeing t undergo a transformation to the extent of applying to themselves al the conditions which are accepted and applied by the Six; but th question is whether Great Britain at present can place herself, witl the Continent and like it, within what is genuinely a common tarifl give up all preference towards the Commonwealth, cease to claim tha her agriculture should be privileged, and in addition hold the commit ments which she has undertaken with the countries of her free trad area to be no longer binding. That is the whole question. It cannot b said to have been resolved at present. Will it be solved one day? Clearl only England can reply to that. . .

Then again, it is possible that one day England will manage to trans form herself sufficiently to become part of the European Community without restrictions and without reservations, or preferences of an kind, and in that case the Six would open the door to her, and Franc would raise no obstacle, although obviously the mere fact of England' participation in the Community would considerably change its natur and size. It is possible too that England is not yet disposed to do this and that is indeed what seems to emerge from the long, long talks i Brussels. But, if that is the case, there is nothing in that which can b considered dramatic. . .[1]

Thus the President of the French Republic at his press conferenc on Monday, 14 January, in Paris. There could be little doubt, for anyon who heard or read his statement, that General de Gaulle was decreein the end of the Brussels negotiations and the exclusion of Britain from th Common Market, and it was this which gave all the events in Brussels both in the days following the press conference and during the fina sessions on 28 and 29 January, a sense of unreality, or rather of fatality brilliantly summed up by a *Daily Telegraph* leader writer: the meetings he said, 'resembled nothing more than a dinner party on the *Titanic*'. Th unreality was heightened by the fact that the economic arguments fo stopping the negotiations, put forward first by the General and then b

[1] Full text in *Le Monde*, 16 January 1963.

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M. Couve de Murville in Brussels, were patently not the real ones: the General's decision was a political one, taken in the light of his personal conception of the future of France in the Community and of that Community in the world. The Nassau agreement, Britain's special relationship with the United States, and the picture of her as a 'Trojan horse'—none of this was mentioned at the conference table, but inspired French press reports and the General's unofficial statements left no doubt that it was in such considerations that the real motives for the French decision were to be found.

This fact, added to the manner in which the General chose to make known his decision, gave the Brussels crisis a double significance going far beyond the immediate question of British accession. On the one hand, it became an episode in the clash between France and the United States over the future shape of the Western alliance; on the other, it became the first major round in a struggle between France and her Common Market partners over the future of the European Community. In the unilateral nature of the General's decision the Five saw a threat to the whole concept of the Community built up on a basis of co-operation, consultation, and mutual concession, and in the decision itself a refusal of the notion that that Community should be outward-looking. Both these wider conflicts are beyond the scope of this article, which is concerned to trace the evolution of the Brussels crisis itself, but it is in the light of them that the events between the General's press conference and the suspension of the negotiations a fortnight later must be seen.

The 'phoney negotiation'

At precisely the same moment as the General began his press conference in Paris, M. Fayat, Belgian Deputy Foreign Minister, opened the sixteenth ministerial session of the negotiations on Britain's accession to the European Economic Community in Brussels. At this session, planned to last a week, and at a further one to start on 28 January, it was hoped to break the back of the major outstanding problem in the negotiation: the transitional arrangements for the adaptation of Britain's farm policy to the common agricultural policy which she had accepted. At that first sitting M. Fayat suggested that work might be begun on putting the agreements already reached over the previous fifteen months into due legal form; to this there was general agreement, and although the French delegate, M. Wormser, pointed out that many of the agreements were still provisional, he raised no objection. It was also agreed that the E.E.C. Commission and the British delegation should draft an agreed English text of the Rome Treaty. The Ministers of the Six then met briefly on their own to consider their reply to Mr Heath's statement, made before Christmas, on the institutional aspects of British accession, and were able to tell him when he rejoined them that there were no major difficulties (though prob-

lems might arise from the accession of other new members). At 6.30 p.m. the Committee of Ministers of Agriculture under the chairmanship of Dr Mansholt, Vice-President of the E.E.C. Commission, began a meeting. When it broke up at 3.20 a.m. it had put the finishing touches to its detailed report setting out the factors involved in adapting British agriculture to the existing regulations of the Community's common farm policy (for cereals, pigmeat, and eggs) and the views of the British delegation and the Community on how the adaptation should be carried out.

Thus began what might be called, by analogy with the 'phoney war' of 1939–40, the 'phoney negotiation'. General de Gaulle had made his declaration of war—and on Tuesday morning Dr Luns, M. Spaak, and Herr Schroeder, Foreign Ministers of the Netherlands, Belgium, and Federal Germany respectively, replied with sharp statements to the press about the need for British entry—but the skirmishing had not yet broken out. Already, however, there were signs of a tightening of ranks, and during Tuesday morning Mr Heath had separate meetings with the Ministers of the Five.

On Tuesday afternoon Dr Mansholt presented his Committee's report to the Ministers of the Seven, and immediately afterwards M. Spaak asked to speak. He suggested that if the British delegation could abandon their claim that the transitional period for British agriculture must in some cases extend beyond 1 January 1970 this would greatly facilitate an agreement. Mr Heath replied at once that, providing satisfactory arrangements were found for the transitional period, he was prepared to abandon that claim. This was a major British concession on a point of principle, hitherto stubbornly defended, and the question and answer were clearly pre-arranged to demonstrate that the negotiations were not in an impasse.

The Six then met alone to consider the Mansholt report, and a combined Dutch-Italian proposal was made which would have represented a big concession to the British position on wheat. Backed by the Belgians and Italians, on the ground that mutual concessions had to be made to achieve a solution, it was rejected by M. Pisani for France and also met with a cool reception from Dr Mansholt himself, who favoured sticking to the position originally agreed on by the Six.

Wednesday saw the negotiation still continuing as though nothing had changed. Mr Heath presented the Six with detailed proposals for a package deal on the remaining list of goods for which Britain had originally sought to have the enlarged Community apply a nil tariff. The Six did not discuss it at once, but made a further fruitless attempt to reach agreement among themselves on what they were prepared to offer Britain on three major products on the 'nil tariffs' list: aluminium, lead, and zinc. On a fourth (newsprint) they did reach agreement. In the afternoon, the Ministers of the Six returned to their ever-recurring wrangle about

the interpretation of the Regulation covering the financing of the common agricultural policy. This was a problem vital to the negotiations, since the French had made agreement on it a condition of their accepting the provisions worked out in August for Britain's imports of temperate foodstuffs from the Commonwealth; but it was also a problem essentially for the Six, since Britain would almost certainly have been prepared to accept any settlement agreeable to Germany (both countries, as major food importers, being liable to pay the biggest share of import levies). A compromise text put forward by M. Fayat seemed on this Wednesday afternoon to have some chance of acceptance, and M. Couve de Murville, who had raised objections to it, undertook to present an alternative wording himself the following day.

The French request for suspension

The Ministers met again a few hours later at the dinner traditionally given by the Chairman of the Conference. It was then, quite unexpectedly, and when suspicions about General de Gaulle's intentions had begun to be lulled, that M. Couve de Murville let it be known that he was formally proposing the suspension of the negotiations. The grounds which he gave, when the Six discussed the proposal next day, were an enlargement upon the words of the French President: the British had been dragging their feet, they were not prepared unconditionally to accept the Rome Treaty, nor to make concessions on merging their agriculture into the Common Market, and there seemed no prospect of success in the negotiations.

It is not possible here to present a detailed picture of the state of the negotiations at the time the French request for their suspension was made. Suffice it to say that of the three major problems mentioned in October 1961 by Mr Heath, that of the Commonwealth had been largely solved: there remained to be settled the technical details of provisions for temperate foodstuffs, the special problem of New Zealand, and arrangements for Gibraltar and the countries of the Central African Federation. On the second problem, that of British agriculture, the detailed groundwork necessary to clear the way for a solution had been done. The third group of problems, raised by the existence of E.F.T.A., could not usefully be tackled until the details of British accession had been worked out. Since what was at stake was less the exact state of the negotiations than the chances of their succeeding, there can be no better or more impartial judgment to quote than that of Professor Hallstein, President of the E.E.C. Commission which, throughout the negotiations, had consistently and obstinately stood out for the strict application of the Rome Treaty and opposed any British requests which might involve breaches in it. Addressing the European Parliament in Strasbourg on 5 February, he concluded a meticulous survey of the whole field of the negotiations, in-

cluding an inventory of even the most minor problems still unsolved, with the following words:

> As for the prospects of the Conference, here is what emerged from the facts I have set out: it is impossible to consider that the negotiations had practically failed at the moment they were interrupted, or to say that it was proven that they could not succeed. It is just as impossible to say that the negotiations had already virtually succeeded, i.e. that it was certain that they would be brought to a successful conclusion. The truth is that they were going through a difficult phase, which called, too, for some major concessions from the British side, but that there did exist a reasonable chance of reaching agreement. In any case it is that that the Commission was expecting. In other words: there can be no doubt that the chances of success were sufficiently great for the negotiations to be continued.

Immediate reactions of the Five

That being the situation, as it had generally been agreed by *all* the delegations up to that point, it remained to be seen how France's five partners, and the E.E.C. Commission itself, would react to the French request for suspension. During the morning of Thursday, 17 January, there was a criss-cross of bilateral meetings which enabled the Ministers of the Five to concert their reactions, and Mr Heath, who had held a council of war with the British delegation until the early hours, to confer with each of them. One hypothesis at least was ruled out at once: that the British delegation would walk out in a huff, as they had done, in effect, in not unsimilar circumstances when the 'big free trade area' talks in the Maudling Committee of O.E.E.C. broke down in December 1958. The question, therefore, was how the Five would react. About the Dutch and Belgian reaction there could be no doubt: to them the unilateral French action was a further clear attempt to over-rule the smaller countries and entirely contrary to the spirit of the Community. The Dutch reaction was one of anger, shared by the delegation in Brussels, the Government, the Dutch Parliament, and public opinion, and reflected in the press. Luxembourg could be relied on to share the views of her Benelux partners. The Italians, too, with a Government relying on Left-wing backing, could be expected to stand firm against General de Gaulle, and this was confirmed when Signor Piccioni, the Foreign Minister, and Signor Colombo, after being in touch by telephone with Signor Fanfani, then in Washington, firmly remonstrated with M. Couve de Murville about the French attitude.

The question-marks, then, on the eve of the Thursday afternoon meeting, hung over the German delegation and the Commission. Dr Schroeder had expressed himself firmly on the Tuesday against de Gaulle's attitude, but Dr Adenauer was due in Paris the following Monday to sign

the Franco-German Treaty and it was far from clear how far he sha
his Foreign Minister's views. As for the Commission, on almost ev
point at issue during the negotiations it had been aligned with the Fren
delegation in opposing British requests which were considered contr
to the letter or the spirit of the Rome Treaty. If the Commission were
side with the Five, the French would be isolated.

In the event, Friday afternoon's meeting provided the line-up whi
was to last without a moment's flinching throughout the crisis. Minist
from the Five, and Professor Hallstein for the Commission, rejected t
reasons given by M. Couve de Murville for breaking off the negotiatio
and made it clear that they saw in the French action a threat to the mutu
confidence essential to the survival of the Community.

The rear-guard action

In a valiant rear-guard action every possible attempt was made to fi
a formula which would enable the negotiations to be continued. On t
Thursday, 17 January, M. Spaak, supported by Dr Luns, put forwar
suggestion which Dr Schroeder formulated in precise terms: that Sign
Colombo should be charged with drawing up a report on the state of t
negotiations, indicating possible solutions to the questions outstandin
This he would present to the Conference (which would thus remain
being) on 28 January. This proposal, to which the British would ha
agreed, was rejected by M. Couve de Murville precisely on the grou
that it was a way of continuing the negotiations. He suggested, on t
contrary, that the report should be made to the meeting which was d
to be held in Luxembourg, under the arrangements for regular consult
tion between the Foreign Ministers of the Six.

When the debate was resumed the next day, after a further bout of b
lateral consultations, the positions were unchanged. M. Couve de Mu
ville was willing at the most to accept a meeting of the Six on 26 June
renew the discussion, but this the Five rejected. Their position now wa
tactical one: by refusing anything that implied the suspension of the tal
they would oblige the French either to agree to meet again on 28 Janua
or to accept full responsibility for a rupture by leaving the Conferen
This Couve de Murville was not prepared to do, and after a brief meeti
at which Mr Heath was officially informed of the situation, M. Fayat,
Chairman, was authorized to issue the following communiqué:

> During the sixteenth session of the Conference . . . the French deleg
> tion asked for the negotiations with the United Kingdom to be su
> pended. The five other delegations of the European Economic Co
> munity and the British delegation opposed this proposal. The di
> cussion of this question will be resumed at the next session of the Co
> ference which will take place on 28 January.

The Chairman added that the meeting of a working party on Hong Kon

and meetings in Luxembourg in the negotiations for accession to the Coal and Steel Community would be held as planned, and that the French Government would decide on its own responsibility whether to send representatives. In the event the meetings did take place, with the French not attending.

The ten days that followed brought a rich crop of speeches from all quarters throughout Europe, criticizing and opposing de Gaulle's attitude, but little change in the situation. Chancellor Adenauer went to Paris to sign on 22 January a Franco-German Treaty providing that 'the two Governments will consult each other before any decision on all major questions of foreign policy and above all on questions of common interest, with a view to reaching a common position in so far as this may be possible. This consultation shall cover the following subjects: problems of Community and European political co-operation . . . etc.' Before he left Bonn all the parties in the Bundestag had voted a resolution favouring British accession. After talks in Paris with M. Jean Monnet (Chairman of the Action Committee for the United States of Europe which includes the leaders of all democratic parties and trade unions in the six countries) and with Professor Hallstein, he suggested to President de Gaulle that the E.E.C. Commission be given a mandate to draw up a report on the Brussels negotiation. This idea, none of the details of which were made clear, the French President accepted.

Final breakdown of the negotiations

When the Conference met again in Brussels, late on the afternoon of Monday, 28 January, it was after a further twenty-four hours of bilateral talks, culminating in an hour-long meeting between Dr Schroeder and M. Couve de Murville. The German delegation, in which Dr Schroeder was now flanked by Dr Erhard and the veteran Common Market negotiator Herr Müller-Armack, had instructions from the German Cabinet to do all they could to save the negotiations. The proposal for a mandate to the E.E.C. Commission, which the Germans put on Monday evening, was duly thrashed out first at that meeting, again late on Tuesday morning, and lastly on Tuesday afternoon; although already on Monday night it was clear that agreement was impossible. There was clear-cut disagreement between the Five and the French on every point: on the object of the mandate, whether it was to be a summary of the negotiations with proposed solutions to outstanding problems or (as Couve suggested) an estimate of the general repercussions of enlarging the Community; on its general framework, whether the Commission should report back to the Seven or (as the French insisted) to the Six; and on its time-limit. Just after half-past four on Tuesday afternoon Mr Heath joined his colleagues and M. Fayat announced that the Five had been agreed on the following draft mandate:

> The European Commission is requested to draw up in the course of the next three weeks a report on the present state of the negotiations ... in which it shall set out the results already achieved and the questions still in suspense and give its opinion on the latter. This report shall be submitted to each of the seven delegations making up the Conference. The work of the Conference shall be resumed at the latest ten days after the tabling of the report.

This text the French delegation had been unable to accept. M. Fayat's statement was followed by speeches from the heads of each of the delegations.[1] M. Spaak, who spoke first, emphasized the gravity of the decision which obliged the other member countries to go back on their solemn promises, and on their repeated statements that the Community they were building was an outward-looking one. Dr Schroeder recalled that the Federal German Government had obtained ratification of the Rome Treaty only by specifically promising that it would do all in its power to enlarge the Community. Dr Luns, like M. Spaak, insisted that the suspension of the negotiations was a serious, perhaps even a mortal, blow to the Community. M. Couve de Murville did no more than rehearse his former arguments, adding the suggestion that it was inconceivable to admit a new member to an 'unfinished club'. Finally, Mr Heath replied, recalling his full acceptance, in his opening speech of 10 October 1961, both of the Rome Treaty and of the political objectives of the Community, and going on to refute the points raised by M. Couve de Murville in his speech and by General de Gaulle at his press conference. He ended with the words 'we in Britain are not going to turn our backs on the mainland of Europe or on the countries of the Community. We are a part of Europe; by geography, tradition, history, culture, and civilization. We shall continue to work with all our friends in Europe for the true unity and strength of this continent.'

It remained only for M. Fayat to state formally that to his great regret he found he must conclude 'that the member States of the European Economic Community are prevented from continuing the negotiations on the accession of the United Kingdom to E.E.C.'; he then declared the seventeenth ministerial session closed.[2]

Immediately after the close of the official session, there was an informal meeting between the Ministers of the United Kingdom and of the Five,

[1] For the full texts, see No. 186/7 in the series *Documents* published by Agence Europe, Luxembourg.

[2] The negotiations having been opened by a unanimous decision of the Council of E.E.C. under the terms of Article 237 of the Rome Treaty require a similar decision to end them, and can be considered only to be suspended *sine die*. The conference on U.K. accession to the European Coal and Steel Community, strictly separate from the juridical point of view, has not been formally suspended, and a meeting was in fact held on 30 January at which the Dutch Chairman announced that the next ministerial meeting was 'postponed'.

at which a number of ideas were thrown up about continuing contacts, on either a bilateral or a multilateral basis, amongst the 'new Six'—including the suggestion of acting within the already existing framework of Western European Union. What will eventually emerge from the active diplomatic contacts which have been in progress since 29 January it is beyond the scope of this article to surmise.

Conclusions and prospects

There are, however, a number of general conclusions which it seems permissible to draw from the events of 14–29 January and from the reactions which they have since provoked.

The first thing that must be noted is the resilience and permanence of the Common Market, and the strength of the Community idea. At no point, even in the heat of anger, has the idea of breaking up the Community been seriously raised. Were it purely a matter of economic interest in the Common Market, then it might well be—as General de Gaulle is reported to have suggested in one of his revealing comments to French deputies—that after a year or so the resentment would die down and all would go on as before. In fact, however, what held the Five and the Commission so firmly together throughout the Brussels crisis was the realization that they were defending the whole fundamental conception upon which the Community has been built since the beginning; to quote once again the President of the E.E.C. Commission,[1] 'our Community order, our Community organization is by definition the negation of all hegemony, the organized, methodical exclusion of hegemony.' In this stand they have since received the backing of responsible opinion throughout their countries.

On the other hand, there is no doubt that the Community has suffered a heavy blow. The mutual confidence which is necessary for major progress has evaporated. The comment of Herr Müller-Armack in Brussels was that 'all that remains is a bureaucratic machine.' This may be too sweeping a judgment, but certainly no major measure requiring mutual concessions, and above all concessions to France, can be expected to pass the E.E.C. Council for a long time to come.

British accession to the Community seems only to be postponed. This was one important result of the refusal of the Five to accept any compromise with the French which could have made it seem that the Community as such was turning Britain away. One indication of future policy which begins to emerge is that both the Commission and the Five will in future take the prospect of British entry into account when elaborating Community policy: as Dr Mansholt has put it, 'Britain has won her seat at the

[1] Speech to the European Parliament in Strasbourg on 5 February 1963, as quoted above.

Council table.' What hope there is, if any, of a solution in the foreseeable future, however, seems to lie in the direction of a treaty of political union in which Britain would take part with the Six.

Meanwhile, things cannot stand still. The suspension of the negotiations means that many Commonwealth countries will have to seek other solutions to their growing problems, either through direct negotiation with E.E.C. or through world-wide agreements. Inside Europe, E.F.T.A is granted a new lease of life, not as a substitute for membership of, or association with, E.E.C., but as a useful interim arrangement.

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Note of the month

The Brunei revolt: background and consequences

THE history of Brunei, as the West knows it, is one of expansion and decline. Brunei had certainly reached, and was perhaps beyond, the peak of her power in the sixteenth century, when the first European accounts of Borneo were written. For the next 400 years her importance diminished. In the nineteenth century Sarawak, under the Brooke family, and North Borneo, under the Chartered Company, nibbled so many slices of Brunei territory that the Sultanate seemed destined to disappear. The declaration of Protectorates over the three territories by the British Government in 1888 stabilized the situation. The State of Brunei, now consisting of two enclaves covering an area of only 2,226 square miles, and with a population in 1960 of under 84,000, has recently acquired an importance quite out of proportion to her size.

Brunei is bounded by the sea and by Sarawak, and has no common frontier with Indonesian Borneo or with the Colony of North Borneo. Moreover, Brunei's oil, on which her economy is so largely dependent, reaches the outside world through the Lutong refinery in Sarawak. Geography and economics thus combine to demand that Brunei and Sarawak should move together (if they move at all) into any larger political unit.

Her peoples, like those of Sarawak and North Borneo, are ethnically heterogeneous. In 1960 Brunei Malays made up a bare majority of the population. Other indigenous groups, the descendants of subject races of the old Kingdom of Brunei and now mostly Muslim like the Malays, form 20 per cent of the population. Almost all the Chinese population of Brunei, 25 per cent of the total, live in or near the municipality of Brunei or in the oil-field area.

With a Malay Sultan, a partly imported Malay bureaucracy filling most of the senior government posts,[1] and a largely indigenous Muslim population, there is a superficial resemblance between Brunei and some of the states of the Federation of Malaya, such as Kedah and Kelantan. A closer examination reveals important dissimilarities, however. The Malays of Malaya are a peasant people, harvesting their own small crops of rice or tapping their own rubber. The Brunei Malays were mostly

[1] Malay government officers from Malaya have found little joy in secondment to Brunei.

fishermen before the second World War, but now two-thirds of those who are economically active are employees and only one-third of them work on their own account or on a family basis. The Malays of Brunei are highly urbanized in comparison with the Malays of Malaya. Oil revenues have given the Brunei Government budget surpluses which cannot be matched in any of the states of Malaya; old-age pensions, free (though far from universal) primary and secondary education, and other welfare services have been introduced and the surpluses have been invested with the intention of providing the State with an increasing investment income as oil production continues to decline. Inevitably, however, much of the profit of oil production leaves Brunei and many of the employees of the oil company are not natives of the State.[1] Finally, State Government in Malaya is organized on a democratic basis: Brunei is constitutionally far behind the states of Malaya.

In these circumstances the popular support given in Brunei by the local Malay population to a political party with a radical socialist programme is less surprising than would have been the case in one of the states with a Malay majority population in Malaya. The Party Rakyat or Ra'ayat (People's Party) was registered as a political party in 1956. The Annual Report on Brunei for that year states somewhat quaintly that the Party's following had increased considerably by the end of the year, 'particularly by enrolment amongst the labouring classes', and goes on to say that 'Unfortunately there are many malcontents amongst the Party members and these are mainly dismissed ex-government servants who see in the Party a means of expressing their discontent and dissatisfaction. The following amongst the more educated classes is very limited.'

It was the Party Rakyat which won almost all the seats at the first popular elections to District Councils at the end of August 1962, and thus, automatically, all sixteen indirectly elected seats in the Brunei Legislative Council, for which the District Councils acted as an electoral college. Even with sixteen seats in a house of thirty-three members, however, the Party might well have been unable to enforce its opinions on the State Government on important issues, for the remaining seventeen seats remained firmly in the hands of the Brunei Establishment. The Party had called for self-government for Brunei from the time of its initial registration. When Tunku Abdul Rahman announced his plans for Malaysia, the Party made the counter-suggestion of a union of Brunei, Sarawak, and North Borneo with the Sultan of Brunei as its constitutional head.[2]

In the circumstances a resort to violence was always possible. From March 1962 onwards (well before the elections) there was evidence of groups of young men travelling along the difficult up-river routes from Brunei and northern Sarawak to the borders of Indonesian Borneo. Be-

[1] The oil company has, however, used local labour as much as possible.
[2] See 'Proposals for Malaysia,' in *The World Today*, May 1962.

tween September and the outbreak of the revolt in December a number of jungle clearings were found to be in use as military training grounds, and by November young Brunei Malays were openly buying jungle-green uniform cloth, army webbing haversacks, and sheath knives. The area of potential revolt extended beyond the boundaries of Brunei to northern Sarawak and the south-western end of North Borneo, both areas containing an appreciable number of Brunei Malays.

The rebellion in December was crushed within a few days of its outbreak, though mopping-up operations have not yet been concluded. In these operations local irregular forces of a mobile Home Guard type played an invaluable part. In the absence of outside support it seems unlikely that there will be a further large-scale resort to violence in Brunei, but opposition to the Government will probably continue unless and until there is a wider participation in the prosperity which oil has brought to the State.

Despite the failure of the revolt and the subsequent decision of the Sultan of Brunei that his State would join the Federation of Malaysia,[1] Indonesia has expressed open sympathy for the rebels and has given warning of the possibility of an armed clash if the three Borneo territories do, in fact, become part of the Federation. The Indonesian Communist Party had expressed its opposition to the formation of Malaysia as soon as Tunku Abdul Rahman announced his plans in 1961. The Indonesian Army faces the prospect in May of an end to the long period of martial law and a return to civilian rule, when the United Nations completes its nine months' temporary control of West New Guinea; a new front for military pressure and action might therefore not be unwelcome.

General Nasution is reported as having said in December and again in January[2] that Indonesia did not claim the North Kalimantan (North Borneo) territories but supported the North Kalimantan drive for independence. President Soekarno governs Indonesia by maintaining a balance of power between the Army and the Communist Party and, if the leaders of these institutions are agreed on a policy of active opposition to Malaysia, he has little alternative but to follow suit. In fact, Soekarno himself might welcome such a policy in order to retain the political initiative and keep Indonesian minds off the economic chaos and mounting inflation in their country.

Of the three Borneo territories, Sarawak is the most vulnerable to military pressure from Indonesian Borneo (Kalimantan). Her long frontier with Indonesia consists of rugged, mountainous jungle in the north-east but of rather gentler hilly country in the south-west where roads extend from Kuching to within a few miles of the border. Neverthe-

[1] *The Times*, 8 February 1963.

[2] Antara, the official Indonesian news agency, 22 December 1962 and 7 January 1963.

less, the whole of the Sarawak-Indonesian frontier is a natural line separating the principal watersheds and the amount of intercourse across the border is small.

Inevitably the Brunei rebellion and the Indonesian opposition to Malaysia have had early repercussions in Singapore and Malaya as well as in Borneo. Azahari, the fugitive leader of the Brunei revolt, had maintained contact with the Barisan Socialis Party in Singapore for some time before the start of the rebellion. Shortly after the outbreak, the Barisan Socialis declared their backing for the rebels and rallies were held in Singapore with the object of mobilizing support for the so-called 'Tentera Nasional Kalimantan Utara' (North Borneo National Army). On 2 February, after a meeting of the Internal Security Council composed of representatives of the Singapore, Federation of Malaya, and United Kingdom Governments, arrests were ordered under the provisions of the Preservation of Public Security Ordinance of 'certain persons (including leaders of the Barisan Socialis) in Singapore known to the security authorities of the three Governments represented on the Council to be deeply implicated in the United Front working for Communist or in some cases for other subversive ends. . . These measures, following upon the internal security actions in the Federation of Malaya and Sarawak, will safeguard against any attempt by the Communists to mount violence or disorders in the closing stages of the establishment of the Federation of Malaysia.'[1] Later in February the Malayan Government arrested Boestamam, leader of the Malayan Party Ra'ayat and a close associate of Azahari for some years, on the ground of active support for the Brunei rebels and close collaboration with the Indonesian Communist Party.

It would seem that opposition to Malaysia, rather than Communist activities as such (though these are not necessarily mutually exclusive), has temporarily come to be equated with subversion in Malaya and Singapore. These recent security measures are a clear indication that, come what may, the Singapore and Federation Governments are determined not to permit anything to stand in the way of the formation of Malaysia.

T. E. SMITH

[1] Quoted from the relevant Internal Security Council statement.

The great debate on inflation in Latin America

DUDLEY SEERS

It is well known that there has been severe inflation in many Latin American countries in the past decade. Argentina, Bolivia, Brazil, and Chile have each known years in which the cost of living has doubled; in all four countries, moreover, price rises of 20 per cent or more per annum have continued for many years. In Colombia, Mexico, Peru, and Uruguay, inflation has been more moderate, but even in these countries price rises of at least 5 per cent a year have been the rule, and rates of inflation of more than 10 per cent not uncommon. Anglo-Saxon economists are inclined to ascribe these experiences to either trade union pressures or financial imprudence. These two alternatives reflect the debate that has been going on in the developed countries as to whether 'cost push' or 'demand pull' is the main explanation of the 'inflations' from which they believe they have suffered.

Yet these explanations will not fit Latin America. Trade unions there are hardly strong enough, at least outside Argentina, to play the leading part, or even a major part, in causing inflation. Usually a year or more passes between wage adjustments, and then they are the result of Government edict rather than collective bargaining. Moreover, these general wage rises, when they do come, are rarely large enough to exceed the increase in price since the date when wages were last raised.

The belief that inflation in Latin America is due to general excess demand is superficially more plausible. Budgets are chronically unbalanced, in part because of the failure to collect taxes legally due, and in part because of the use of public funds in ways which enrich, or at least strengthen, leading politicians. Bank credit has grown very rapidly, and it often finances luxury apartments rather than the industries which the region needs. Special exchange rates on materials like newsprint sometimes amount to concealed subsidies for favoured industries. Exchange and import controls have been used to protect high-cost, monopolistic firms.

Mr Seers has been working for some years on the economic problems of Latin America, as a member of the staff of the Economic Commission for Latin America and more recently as a visiting professor at Yale. This article was written shortly before he rejoined the staff of the United Nations, this time with the Economic Commission for Africa.

The 'monetarist' argument

Since this explanation fits the notion, widespread amongst Anglo-Saxons, even the more sophisticated, that Latin Americans are charming but totally irresponsible people, it is hard to resist. It has led to foreign advisers, more especially the staff of the International Monetary Fund, advocating what are known in Latin America as 'monetarist' policies—that is, balancing budgets, halting the expansion of credit, establishing a single exchange rate, and abolishing controls on the use of foreign exchange.

The majority of the Governments in Latin America have been forced to approach the IMF for help in meeting their foreign exchange obligations; after a certain level of debt to the Fund has been reached, further drawings by a Government are allowed only if it agrees to adopt the policies described above, and formalizes this agreement in a 'letter of intent'. Moreover, the financial authorities of the United States and Western Europe have made their own financial aid conditional on the Fund's terms being accepted. The Fund has therefore been the instrument by which financially orthodox measures have been imposed on countries in the region suffering from inflation—the great exception being Brazil, which has always resisted this pressure (but nevertheless has received direct and substantial loans from the United States).

An observer's first reaction to all this is that it is rather old-fashioned. Three decades have passed since balancing budgets was standard practice in Britain or even in the United States.[1] In fact the whole point of setting up the IMF, in which Keynes played a large part, was precisely to make it unnecessary for countries to adopt retrenchment policies when their exchange reserves were sinking.

The 'structuralist' argument

There is a school of Latin American economists which makes a much more far-reaching criticism of 'monetarism'. This is the school known as that of 'structuralism'. There is no space here to outline the views of the 'structuralists' at all comprehensively. A fairly full statement can be found in *Inflation and Growth in Latin America* (to be published). This is a study prepared by the United Nations regional secretariat, the Economic Commission for Latin America, which has been the citadel of structuralist opinion.[2]

It should, however, be made clear at the outset that, though this school opposes the proposals of the monetarists, it does not advocate inflation, or even deficit finance, as a matter of principle. This point must be emphasized because Anglo-Saxons, groping for a familiar label, tend to

[1] The deficit in the United States budget in 1963–4 will be more than the whole national income of Chile.

[2] A summary can be found in a paper by the author 'A General Theory of Inflation and Growth' (*Oxford Economic Papers*, June 1962).

treat structuralists as if they were a rather exotic variety of Keynesians. Nor do structuralists all believe in socialism, in the sense of a highly controlled egalitarian society. One of the pioneers of structuralism, Dr Prebisch (the Executive Secretary of ECLA for many years) is, whatever the State Department and the IMF may think, a conservative at heart, though a conservative who believes that certain changes must be made if the existing fabric of civilization is to be preserved.

The starting-point of the theory of structuralism is that today in the middle of the twentieth century, when markets for export commodities are chronically depressed, economic development has to be increasingly directed to satisfying domestic markets. Moreover, development is an inescapable necessity in a period when unemployment is already serious and yet the population is growing rapidly (in fact, increasingly rapidly), and when the agitation for improved living standards grows daily more clamorous. Industrialization is needed, therefore, to substitute local products for the manufactures previously imported, thus releasing foreign exchange to purchase the goods, especially capital equipment, which simply cannot be produced at home.

This means a big change in the economic structure, with secondary industries expanding much faster than the rest of the economy. Not merely do imports of manufactures have to be replaced; in addition, the demand for manufactures rises rapidly as incomes climb, and local output has to keep pace. But it is difficult to recruit workers on a sufficient scale for these industries in countries where the labour force is inadequately trained (often consisting largely of illiterate country workers). It is also hard to find engineers and managers. The consequence is rather inefficient and costly production and an upward pressure on wages and salaries that is likely to spread to other urban industries. What may be more important, as a factor raising costs, is the heavy strain which is put on transport and electric power systems built for a different type of economy. A great deal of investment is needed, mostly in imported equipment, and (since there are also new demands for fuel and materials) there is no easing of the demand for foreign exchange. In fact, a policy of import substitution changes the *composition* of the demand for imports but paradoxically does not reduce its *level* for years, perhaps decades.

Another of the paradoxes of industrialization is that it necessitates a rapid increase in the output of foodstuffs for local consumption. The growth of industries sucks people into the towns, to which they are tending to move in any case, in search of a better life. At the same time the population of both town and country is rising more rapidly anyway, chiefly because of improvements in health. So there has to be a fast increase in the flow of food to the towns, and this may be difficult to achieve when the rural population is rising. (Of course, it has to be achieved without affecting exports of foodstuffs, or causing imports to rise, if the fo-

reign exchange problem is not to be aggravated.) Similar points could be made about cotton and wool.

In practice, Latin American agriculture has not succeeded in meeting this challenge. Partly because of very unequal land distribution, and antiquated systems of tenure, agricultural supplies have lagged in many countries, notably Argentina and Chile, but also to a lesser degree in Brazil and Colombia. The consequence has been a tendency for food prices to rise; and this has stimulated the demand for wage increases, and in some countries (especially Argentina) the balance of payments has also been affected through a decline in exportable supplies.

The thesis of the structuralists is not, therefore, that inflation helps growth, but that there are serious inflationary tendencies in economic development, and also tendencies for foreign exchange crises to arise, during periods when exports of primary products are not rising fast and when development therefore implies structural change. The problem is not primarily one of general excess demand, though this may also exist because of the heavy need for investment. It is one of excess demand in some sectors. In other words, the structure of supply ceases to match the changing structure of demand, as demand rises.

Dangers of financial restraint

But if this is true, then programmes of financial restraint are not merely inappropriate: they are dangerous. They will not achieve price stabilization unless they are carried to the point at which excess demand has been eliminated from every major sector, and this implies shortages of demand for many products and thus declines in employment and living standards. In time, financial austerity, together with inadequate demand in some areas, causes investment to fall. This means a further big addition to the numbers out of work, and—what is even more serious—it slows down or halts development in a country which is badly in need of it. Two or three years of potential progress are lost.

Moreover, if the structuralists are right, any attempt to get the economy moving again, after a restrictive financial programme, will mean merely a renewal of price inflation and balance-of-payments crises, unless the obstacles to growth have been removed in the meantime—by land reform, reorganization of tax collection, a great deal of education, investment in electric power, etc. Yet it is not merely almost impossible to finance such measures if government expenditure and credit are to be cut; the public support needed to push these reforms through can hardly be obtained in an atmosphere of unemployment and increasing poverty.

Results of stabilization programmes

These are not just speculations. There is considerable evidence by now to support such arguments, because a number of countries have had

several years of experience in trying the IMF policies. The results, especially in Argentina and Chile, have been broadly what the structuralists expected. Output fell initially, the purchasing power of wages declined, and unemployment increased. Later when output started to rise, price inflation, which had slowed down, gathered momentum again and reserves of foreign exchange sank.

In Colombia and Uruguay, this process was less painful and protracted, but the national income apparently rose more slowly than the population, and in these countries too the stabilization programmes have not led, as their advocates hoped, to a period of growth free of inflation. Only in Peru was there a fairly clear improvement in the economic situation, and this may have been due to the completion in export sectors of investment projects which had been started at an earlier date.

Opinion in the region was swayed particularly by events in Argentina. The heavy vote against President Frondizi's party in the 1962 elections, due at least in part to its association with the IMF programme of stabilization, led to his displacement by a military clique. Brazil, on the other hand, though she experienced even more rapid inflation, continued her economic growth unchecked and has created by now a great industrial complex at Sao Paulo.

Lessons were also drawn from events elsewhere in the region. The countries which, throughout the three decades from 1928 to 1958, had tried hardest to follow financially orthodox policies, avoiding price inflation, were Cuba and Venezuela. In each case, this meant that economic growth had been determined by the rate of increase of exports. Venezuela had very good experience with petroleum up to 1957, but, when exports sagged, it proved impossible to continue economic growth and simultaneously to maintain the exchange rate. The bolivar was devalued for some transactions, and yet unemployment has remained severe, and social unrest has grown. Cuba's exports consisted largely of a commodity with much more sluggish demand, namely sugar, and in this case. . .

Orthodox monetary policies had in fact aggravated the region's severe political troubles.

The Rio conference

This was the background to a conference of about a hundred economists, which took place in January in Rio de Janeiro, largely on the initiative of Professor Ruggles of Yale, with financial help from a number of U.S. foundations. There had been a running battle for some years between monetarists and structuralists, in the form of papers in professional journals and pamphlets; but until the Rio conference, no big public confrontation had taken place between the two schools.

The surprise of this conference was the almost complete isolation of

the IMF. Those planning the meeting had attempted to keep a balance between monetarists, structuralists, and economists who were thought to belong to neither camp.

As things turned out, the swing of opinion against monetarism had been so great that very few of the Latin Americans present, whatever their past views, still openly advocated monetarist solutions. Even those who still describe themselves as monetarists mentioned figures of 5, 10, or even 15 per cent a year as acceptable rates of price inflation! It is true that most of the Latin Americans were officials and therefore not free to speak their mind (there were many references to 'a certain organization'), but their general attitude was clear beyond question.

Staff members of the Fund, present in their personal capacity, were also more flexible than had been expected. They mentioned, for example, factors other than financial ones as possible causes of inflation. This reflects a less rigid official attitude on the part of the Fund's management, which has conspicuously refrained from insisting on the 'letters of intent' being carried out in full, and which now seems to insist less strongly on the abolition of exchange controls.

The main group explicitly on the side of the Fund were some American traditionalists (John Adler, Henry Bloch, and Gottfried Harberler); these did not defend the Fund's practices in full, which would hardly have been possible in the prevailing atmosphere, but they argued that the attacks of the structuralists were too harsh. (The meeting was really remarkably sweet-tempered, considering that each side believes that the other is prolonging the misery of the millions of Latin Americans who live in desperate poverty.) In fairness, one must add that this position was not typical of the Americans present, especially the younger ones. Many of these had been working in Latin America and had become sympathetic to the Latin American point of view.

There was quite general agreement on some points, for example that in each case of inflation economic policy should be decided only after a careful study of the causes of its economic problems. This hardly seems a sensational step forward, but by implication it is incompatible with the attitude of those who believe that financial stringency is the cure for *all* inflations, and that a 'fundamental disequilibrium' in foreign payments should *always* be corrected by an adjustment in the exchange rate.

Differences on two linked issues

It also emerged during the conference that differences over policy depended in large part on attitudes to two linked issues—what factors could be considered changeable in the short run, and how urgent was considered the need for economic growth. A group of eminent British visitors (Sir Roy Harrod, Nicholas Kaldor, and Arthur Lewis), though they did not support the Fund's monetary and foreign exchange policies,

did emphasize the need for a balanced budget, or a surplus, as a matter of high priority.

Nearly all the Latin American structuralists believe in principle that this is necessary, but hold that to advise a Government of an inflationary country to adopt this policy now would in practice lead to social and political crises like those which have emerged in countries following the advice of the IMF. (The position of this group of British economists can, in the context of the Latin American debate, be described as one of modified monetarism.)

Without an exception, the structuralists advocate much heavier taxation on the rich, but argue that tax reforms would take years to carry out, and would in any case be unacceptable to most of the Governments of countries suffering from inflation. In their view, therefore, to urge that budgets be balanced in the immediate future means in practice cutting government expenditure, which would be carried out very largely by economizing on capital expenditures and social services. Moreover, like all devices intended to halt inflation quickly, this could only achieve its purpose by adding to unemployment and destroying the confidence of business men in further economic growth.

This is where the debate stands at present. The monetarists have retreated somewhat, both in theory and in practice, and the realization of the political dangers inherent in their isolation will no doubt lead to even greater flexibility on their part in the future. The acknowledgment by IMF staff members, in their personal capacity, that non-monetary factors can cause inflation implies that there are cases of 'fundamental disequilibrium' in the balance of payments which cannot be cured by conventional policies. The Fund might well decide to leave such cases alone, instead of pouring part of their resources into credits which it will be very hard to recover. This seems like advising them to turn applicants away callously, but it would allow other organizations to come forward, without waiting for stabilization policies to be adopted, and the outcome might be the creation of new machinery to help countries where tendencies to inflation and balance-of-payments deficits are inherent in the process of growth.

Voting patterns in Gaullist France

An analysis of the last referendum and elections

LEO HAMON

DURING the summer of 1962, French political institutions were faced with two problems, each both constitutional and political.

First, the constitutional aspects: the 1958 Constitution set up a twin-headed executive, with a President of the Republic who, under the terms of Article 5, 'watches over the Constitution and ensures the regular functioning and continuity of the State', and a President of the Council or, more precisely, a Prime Minister, who, under Article 21, 'heads the Government' which 'determines and conducts national policy' (Article 20).

The two roles are not strictly defined and it remains an open question whether the Prime Minister is responsible to Parliament. The system is therefore quite unlike the English, where the monarch is Head of State with no real political power and the effective political leader is the Prime Minister; the French derives more from the theory of the *pouvoir modérateur* of Louis XVIII. But it is a precarious system, shifting according to the political situation and the temperament of the men holding the two offices. The question of which will prevail inevitably arises, all the more so when the political situation itself is extremely liable to change. It is possible that General de Gaulle's successor may have neither his steady popularity nor his strong personality, and the situation may then revert to the Prime Minister being the effective head of the executive.

On the political side, all the political parties declared themselves Gaullist in 1958, apart from the Communists and the Left-wing *Partie Socialiste Autonome*; the UNR (*l'Union pour la nouvelle République*) was thus only one among many older-established parties which came out on the Gaullist side. But as time went on, differences arose in the National Assembly between these so-called Gaullist deputies, partly because of the gradual growth of an *esprit de corps* in the Assembly, and also because, with the end of the war in Algeria, more freedom of thought began to develop and it became apparent to some people that General de Gaulle was after all no longer indispensable. A majority opinion grew up which differed fundamentally from de Gaulle on two points—over the question

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of the right relationship between the Government and Parliament (the majority of the National Assembly, and still more of the Senate, tended to consider that the Government did not play its legitimate role in Parliament), and over the fundamental question of European policy.

These constitutional and political problems acquired more urgent significance in the summer of 1962 for two reasons; the National Assembly knew that its mandate was, in any case, due to come to an end the following spring, and also the attempt in August on the life of the Head of State made it clear that the problem of the succession could arise at any moment. The question therefore was whether General de Gaulle wanted to establish for his successor a position independent of Parliament and therefore aimed to forestall attack from any incipient opposition; or whether he took the initiative of holding a referendum simply to secure a constitutional basis for his own authority, or in order to force the parties henceforth to range themselves either with him or against him.

There is undoubtedly some truth in both arguments. The fact is that at the end of September he announced a referendum, permissible under the Constitution, on the question of the future election of the President of the Republic by universal suffrage. The opposition protested and overthrew the Government at the beginning of October; but by creating such a ministerial crisis it fell into the trap, if trap there was, laid by the executive.

By provoking a Government crisis, it brought about the dissolution of Parliament and enabled the referendum which took place on 28 October to be followed, after a short interval, by a general election. It was expected that the President would obtain a small majority in the referendum but that his supporters would subsequently be beaten in the elections, and that the presence of General de Gaulle at the Elysée with a hostile majority in Parliament would provoke a Government crisis. In fact the opposite occurred.

The referendum of 28 October 1962

In order to appreciate the results of this referendum it is necessary briefly to recall the results of the three previous ones. In that of 28 September 1958, which adopted the Constitution of the Fifth Republic, abstentions amounted to 15·6 per cent; of the votes cast, 79·26 per cent were in favour, 20·74 per cent against (these amounting, in terms of the total electorate, to 66·41 per cent in favour, 17·38 per cent against[1]). General de Gaulle at that time had the support of every party except the Communists and the Left-wing *Partie Socialiste Autonome*.

In the referendum of 8 January 1961, concerning self-determination for Algeria, the political situation was different. The Communists still

[1] These figures are arrived at by adding the blank and void voting papers to the abstentions and subtracting them from the total electorate.

opposed General de Gaulle but there was also opposition from the Right, which, in support of *Algérie française*, distrusted the way the negotiations were developing. In this referendum the number of abstentions rose to 23·51 per cent of the electorate; the percentage of those voting in favour fell to 75·26 per cent (55·91 per cent of the electorate) while those against rose to 24·74 per cent (18·37 per cent of the electorate).

In the third referendum of 8 April 1962, on the issue of the ratification of the Evian Agreements between the French Government and the Provisional Algerian Government, General de Gaulle had the Communist party's support (of the Left wing only the small *Partie Socialiste Unifié*[1] was against him). There was a certain amount of Right-wing opposition but this seldom went to the length of voting against the popular desire for peace. Again the number of abstentions rose to 24·41 per cent—abstention was in this case the vehicle for Right-wing opposition. The number of votes in favour rose to 90·71 per cent of the votes cast (64·86 per cent of the electorate) while the number voting against fell to 9·29 per cent (6·65 per cent of the electorate).

The situation was quite different at the time of the referendum of 28 October 1962, when the percentage of abstentions rose to 22·75 per cent, a much more significant percentage than that of September 1958 but less than in the two referenda of January 1961 and April 1962. Abstention usually means doubt and apathy on the part of the voter rather than real opposition, and the true significance of the voting in October 1962 was the fact that the opposition went to the length of voting against in much greater numbers. In fact, out of the total of votes cast, for the first time the percentage of votes in favour fell to 61·75 (46·44 per cent of the electorate) while the percentage against rose to 38·25 (28·76 per cent of the electorate).

The constitutional result of the referendum was the adoption of the Bill concerning the election of the President. There was no possibility of its being contested, since President de Gaulle still possessed a considerable majority; in round figures, 12,800,000 voted in favour as compared with 8 million against. The change in the Constitution was therefore passed, but it is noteworthy that for the first time the majority was so narrow that it no longer constituted a majority of the whole electorate. In about a dozen departments, strangely enough in the South-west and East, a majority voted 'No', although this had not been the case in a single department in 1958. In that year not even one commune had a majority voting against, and there were only a few suburban communes with an opposition majority in 1961. But in 1962 the majority in Toulouse, Marseilles, l'Hérault, le Vars, voted 'No', as did two departments of central France, l'Allier and la Creuse. Though of no constitutional sig-

[1] In April 1960 the *Partie Socialiste Autonome* joined with another splinter group, the *Union de la Gauche Socialiste*, to form the *Partie Socialiste Unifié*.

nificance, this nevertheless created a new factor in the political situation.

A rough comparison between the 1958 and the October 1962 referenda would seem to show that the drop from 66 to 46 per cent in the votes in favour represented the section of the electorate which, when asked in 1962 to choose between their own traditional party and General de Gaulle (a choice which had not been presented to them in 1958), preferred to vote against, in common with their traditional parties, rather than to vote for the President of the Republic. It is open to question whether it was particularly the Left or the Right wing which defaulted. It might have been expected that General de Gaulle would have lost mainly Right-wing support, since in the last resort his Algerian policy gave more satisfaction to the Left than to the Right. It seems, however, from a geographical analysis—and the elections confirmed this—that it was particularly the Right-wing groups which lacked a following for their recommendation to vote 'No' in the referendum.

As regards the constitutional issue, the new law has only changed the method of electing the President of the Republic, and has no direct effect on his powers. Previously, the President has been elected[1] by an electoral college, which, in fact, is the senatorial college, composed of the mayors of every commune, to whom were added recently a certain number of municipal councillors in order to take account of the population of the larger towns. This meant an electoral preponderance of the little communes, that is, of the agricultural sector of French life, a preponderance which was an old-established tradition conspicuous in the Senate of the Third Republic. There was also an overwhelming number of men in this electorate of 80,000.

This traditional electoral system was an anachronism in contemporary France. It did not matter, however, in 1958 when the presidential candidate was General de Gaulle, who at that time would have been elected by any electoral body whatsoever. Nor did it have any significance for the President's moral and political authority in General de Gaulle's case, since he was concerned in his campaign much more with his role as a national war hero than with the method of election. But it could have had far more important consequences for his successor, and could have resulted in the choice of a less powerful candidate, who would therefore lean towards the more traditional and prudent conception of a rather self-effacing role for the President *vis-à-vis* an Assembly elected by universal suffrage. The continuance of the 1958 electoral system would therefore have led to the evolution of a form of government not far removed from the parliamentary system obtaining before 1958, and to the ascendancy of the Prime Minister rather than of the President of the Republic.

The new system, however, establishes the election of the President of

[1] This method has actually been applied only once, in 1958.

the Republic by direct universal suffrage, on the American model in fact. This should assure to General de Gaulle's successor a prestige and a political authority, which would be due precisely to his popular election, and should give him what heredity can no longer achieve but what was once obtained for the King by his anointing and coronation. It has been maintained that such authority would be excessive in conjunction with the other presidential prerogatives under the 1958 Constitution, such as the power of dissolution and of appeal to the people by means of a referendum (prerogatives not possessed by the President of the United States). Such powers would be a good way of balancing naturally weak authority, but if they are added to the prestige of election by universal suffrage it would seem that they give the President of the Republic too much political power.

In order to oppose this change in the Constitution, the political parties, some of whom were in favour of a presidential regime with due counterweights and others against the very idea of a presidential regime, brought their opposition to bear less on the principle behind the proposal than on the procedure followed and on the legality of direct recourse to universal suffrage in a matter concerned with constitutional revision, which, according to them, should first have been brought before Parliament.

This argument, though constitutionally valid and politically adroit, since it avoided publicizing the divergences among the opposition parties, was not particularly suitable for making an impression on public opinion. However, partly through political indifference and partly in answer to the appeal of the parties, the text submitted by the President of the Republic met with fairly strong opposition and, although his proposal was finally adopted, the referendum could not be said necessarily to have enhanced the authority of the actual Head of State. Moreover, the opposition looked forward hopefully to the elections, in the expectation that they would lead to a Parliamentary Assembly in which the strict Gaullists would be in a minority.

The elections of 18 and 25 November 1962

In 1958 France resumed the electoral system which she had probably used most consistently, at least under the Third Republic, namely the system of voting by *arrondissements* in two ballots. The vote is per person not by list, and it takes place in two ballots, except where a candidate succeeds in obtaining an absolute majority in the first ballot.[1]

This method has two important political consequences. First, it enables a party to calculate not only its own measure of popular support but also its degree of political isolation. A coalition can be formed to isolate the candidate who tops the poll in the first ballot, and this occurs particu-

[1] This rarely happens, but in 1962 it occurred in the case of almost 20 per cent of the seats, as compared with 9 per cent in 1958.

larly when he is a Communist. In practice, the French voter who is a Christian Democrat, or an Independent, or a Gaullist will, in default of his own candidate, prefer to see any candidate elected other than the Communist. Thus the Communist party, which in many constituencies tops the poll in the first ballot, is isolated and beaten in the second by the coalition formed against it. This voting method therefore favours the parties which do not provoke very strong opposition from the voter, even if he does not vote for them in the first ballot.

Secondly (and this is a point which doubtless escaped the notice of the opposition, who were surprised by the results of the 1962 elections), this method tends to transform the relative majority of the first ballot into an absolute majority in the second, except in the instances referred to in the previous paragraph. Thus, if we take a certain number of candidates, none of whom has an absolute majority but one of whom heads the group of moderates or non-Communists or extreme Left-wingers (according to the grouping fashionable at the time) in the first ballot, the others will converge on him in the second ballot so that the relative majority of the first ballot as good as promises an absolute majority in the second.

The UNR–UDT candidate, that is, the Gaullist candidate (the two Gaullist parties, the UNR and the UDT [*Union Démocratique du Travail*], agreed among themselves not to put up candidates against each other in the last elections), only needed therefore to head the list of all the candidates other than the Communists or those allied with the Communists in the first ballot in order to be elected in the second. It is true that the opposition parties had more or less worked out a cartel among themselves so that all the non-Communist opposition parties could help each other against the Gaullist candidate in the second ballot. But in most constituencies this did not work in practice, and the strictly Gaullist candidate carried the day, on the one hand, because he topped the poll in the first ballot and, on the other, because his rivals did not succeed in isolating him, as they had traditionally isolated the Communists.

Results of the first ballot

The following results were obtained in the first ballot:

	1958 %	1962 %	*Votes gained and lost*
Communists[1]	18·9	21·78	120,000 gained
Socialists	15·05	12·65	800,000 lost
Radicals	4·7	3·71	
National Centre Independents	13·9	9·06	
Independents	6·2	4·36	2,800,000 lost (Radicals to MRP)
Extreme Right	3·2	0·87	
MRP	11·7	8·92	
UNR–UDT	17·5	31·90	2,300,000 gained

[1] In 1958 the Communist party lost between one-fifth and one-quarter of the votes it had in the 1956 elections.

The Communists remained stable, with a slight gain in votes; the decline of the Socialists was accelerated; the Right-wing opposition suffered a heavy loss; and the extreme Right collapsed.[1] The whole of the non-Communist opposition lost more than 3½ million votes. To evaluate this figure, a comparison must be made between the 61–62 per cent vote for General de Gaulle in the referendum and the 30–32 per cent vote for the Gaullist candidates in the first ballot of the elections three weeks afterwards. The French voter who was in favour of General de Gaulle decided in more than one case in every two to vote in the elections in the same way as he had voted in the referendum. This continuity of policy caused general surprise and transformed the mediocre referendum result into an election triumph. For it needed only one out of every two of those voting 'Yes' in the referendum to vote for the Gaullist candidates in the election for them to top the poll in the first ballot and be well placed for the second.

The second ballot

A significant feature of the second ballot was the attempt at a Popular Front. In a number of districts, Socialists and Communists stood down for each other in a way which was practically unprecedented since the 1936 elections.[2] Where the Socialists topped the poll in the first ballot and the Communists stood down, the entire Communist vote was given to the Socialist candidate.[3] The position was less clear, however, when the candidate for whom the others stood down was a Communist. It is still too early to draw up a final balance-sheet, but it seems that the response to the direction to vote for the Communists in the second ballot varied in different regions.[4] The defaulting was never greater than one-third and perhaps less, but in the close results where there was only a small margin in the second ballot, this percentage of default was sufficient, in many cases, to make the favourite non-Communist candidate successful; and this was generally the UNR–UDT candidate, since the cartel of the non-Communist opposition parties was never very effective.

The voting strengths in the new Assembly are therefore as follows:

[1] This was all the more remarkable in view of the influx into France of European repatriates from Algeria.

[2] Under the Fourth Republic, general elections were usually by one ballot but where, in certain circumstances, notably in by-elections, there were two ballots, the Socialist–Communist alliance never worked. But it worked in 1962.

[3] When M. Guy Mollet topped the poll in the Pas de Calais, the Communists campaigned for him, although he had used injurious expressions about the Communist party and had dubbed it as neither of the Right nor of the Left but of the East. One of the leaders of the Communist party said at Arras, 'Not one vote will be lacking for comrade Guy Mollet next Sunday.' And the results confirmed his prediction; all the Communists voted for 'Comrade Guy Mollet''.

[4] For instance, in the industrial areas of the north and the Pas de Calais, about two out of every three Socialist votes were given to the Communist candidate.

229 UNR–UDT, 20 Independent Gaullist Republicans, 28 opposition Independents, 36 MRP (*Mouvement Républicain Populaire*), 41 Radicals and their associates, 65 Socialists, 3 extreme Left-wing Socialists, and 41 Communists.

The Communist party had only ten deputies in 1958; the present increase is due, however, not so much to a real gain in votes as to the fact that the party is less isolated and has benefited in a considerable number of cases from a carry-over of Socialist votes. The Socialists gained 23 seats, again due not to an increase in Socialist votes (in fact they lost votes) but to the fact that on this occasion in a great many districts they were helped by the Communists. The MRP dropped from 54 seats to 36, thus declining from the position of the strongest Centre party to that of the third strongest, weaker than the Socialists and the Radical groupings. The Independents collapsed following the defeat of the Right wing. The Gaullist parties increased their seats from 169 to 229, thus obtaining almost an absolute majority.[1]

Reasons for the opposition's defeat

The Gaullist victory in the elections was remarkable. A great number of moderate voters, MRP or Independent, when faced with a choice between their own party and Gaullism, chose Gaullism, and at the same time the Left-wing Socialist Radical opposition obviously lost ground. The non-Communist opposition lost over 3½ million votes.

There are several reasons for this defeat. First, the sorry memories of the Fourth Republic, with its government crises, its gambles, its national humiliations, caused the electorate to vote against those who appeared, particularly as shown by Gaullist propaganda, to support a restoration. Secondly, the very arguments put forward by the opposition—conflict over constitutional procedure, discussions on the rights of Parliament, distrust of the executive—were reminiscent of old ideological party propaganda and seemed only useless polemics. As for the extreme Right wing, it appeared to have almost no hold on public opinion; it failed because its attacks and criticisms seemed out of date.

A third reason for the opposition's failure was the considerable satisfaction of the French public at the undeniable economic expansion and restoration of national prestige achieved under the Gaullist regime, and also with the more direct method of running the country—less talk and more action. This was no archaic feeling of national aggressiveness; the failure of the supporters of *l'Algérie française* is proof of this. Nor did it indicate a lack of awareness of social issues, for the trade unions did not do too badly in the elections for social security a few weeks later.

[1] In actual fact they can achieve an absolute majority without difficulty because of the balance of a few Independent Republicans who were elected only because they were Gaullist.

The fact is that the French people appear to be much more interested in action groups than in the traditional political parties. Public opinion polls, for example, have shown that they consider themselves much more usefully represented by their trade unions, their students' organizations, their agricultural organizations, and so on, than by the political parties. Even when the latter tried to rally them in the name of traditional ideologies they did not respond. And they responded even less to parties which did not bother to work out any strategy in the election campaign, in contrast to the unity of the Gaullists. The theme of national unity, popular at the moment, is embodied in the President of the Republic, in strong contrast to the divergences of the political parties.

Prospects for the future

For the first time in her history, France now appears to have a party with a real working majority which can govern without difficulty. Leaving aside questions of foreign policy, it would seem that the test of the UNR–UDT coalition will lie in the degree of success or failure it attains in the three-year period still remaining to President de Gaulle, and especially in its capacity to stay united after President de Gaulle's departure.

Originally the UNR was de Gaulle's party pure and simple, but now, after four and a half years as the Government party, it is no longer certain that its *raison d'être* will disappear when President de Gaulle goes; and this will be even less likely at the next elections, after eight and a half to nine years of such a Government. If de Gaulle had departed from the political scene in 1959 or 1960, the UNR would undoubtedly have experienced a severe test at the ensuing elections. But the country has now grown accustomed to the UNR–UDT, and it will be even more used to them after a few more years.

The ability of the UNR–UDT to survive its present electoral success will depend mainly on the evolution of the economy and on the development of foreign policy. But it must also make itself representative of a sufficiently broad section of French opinion. There is one school of thought which sees its possible development into a Right-centre party, rather like the English Conservatives. In this case, men of more advanced views would have to set up a Left-centre party against it, and there are rumours of this among political journalists. But it does not seem likely that the old parties, who were so roundly defeated in the 1962 elections, could quickly constitute themselves into a viable Left-centre party.

Even without a Left-centre party, there could well be difficulties for the UNR–UDT as a Right-centre party; a number of Gaullists would certainly default from such a party. It has, however, fairly wide support. The majority of its supporters in 1962 would have voted for the Right, had there not been a Gaullist party, but its success in the second ballot can

only be explained by the fact that many Left-centre electors swung over to it; and even in the first ballot it seemed to have kept a good number of votes which were switched from the Communists in 1958. If the party cannot extend its coverage to certain relatively advanced sectors of French opinion, however, a lack of balance is likely to result.

A third extremely important question will be whether the UNR–UDT can keep its cohesion and unity after the ultimate departure of General de Gaulle. It now accepts his leadership, but how will it react to a leader of less prestige? The change in the method of electing the President, which was the issue of the last referendum, aimed at electing, under the conditions outlined above, a man who would direct the continuous policy of the Government for several years. To work well, this system should result in the selection of a political leader who would be both a good party man and also a popular man with influence beyond the limits of his own party, and who in any case would guarantee the discipline and cohesion of his party supporters. But these factors are imponderables which can be proved only in the event.

The politics of U.S. defence 1963

The Congressional question

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The first part of this article, published in the March issue of THE WORLD TODAY, *depicted the conflicts in U.S. defence politics over (i) doctrine and (ii) organization.*

THE third fundamental conflict involved in the RS-70 and *Skybolt* controversies—and probably the most important in the long run—is constitutional: what should be the proper division of powers between the Administration and Congress in the sphere of defence policy? Unfortunately for Congress, most of the decisions concerning defence policy are taken within the Administration, through an elaborate bargaining process centred formally in the Joint Chiefs of Staff and the National Security Council and less formally in the Service departments and, increasingly, in the Office of the Secretary of Defence.[1] By the time

[1] Indeed, part of the resistance by the military to Defence Secretary McNamara's proposals for centralization may be based on his apparent attempts to reduce the role of bargaining in weapons system selection. Whether this reduction is either possible or desirable is an open question.

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alternatives are presented to Congress, most bargains have been struck and sometimes even acted upon. Congress has so far devised no effective way of entering into the bargaining process before it is completed, or of decisively influencing Defence Department decisions before they are made. The Armed Services committee of the Senate, for example, has complained that it was not even informed of the impending decision to cancel *Skybolt* before it was publicly announced.[1] Congress was also unable, even after the Rose-Garden Compromise, to bring pressure to bear upon the Defence Secretary to spend more than $50 million in excess of what he had previously been willing to spend on the RS-70.

There are three important factors to be taken into consideration in the conflict between Congress and Administration over defence policy. The first is the question of the shift in the balance of power between the executive and the legislative branches of the Government.

The desire of Congress to have a greater say in the formulation of defence policy, augmented by its need to re-establish an equilibrium in the balance of power with the Administration, may result in many of Secretary McNamara's policy decisions receiving more Congressional attention than they merit from the technical point of view.

The manned bomber, for example, *will* be phased-out eventually. In Congress, however, as in the Defence Department, the issue is timing: *when* should bombers be eliminated from the U.S. strategic nuclear arsenal? Congress has answered this question by taking the service, or at least the Strategic Air Command (SAC), viewpoint on the RS-70 and *Skybolt* issues. Of course, many Congressmen sincerely support the continuation of manned bomber programmes. However, part of this support results from a desire on the part of Congress to reassert its prerogatives in a field where, because of technical complexities and the obscurity and inaccessibility of the Defence Department bargaining process, the balance of power has inexorably shifted towards the executive branch of the Government.

Similarly, the current Senate investigation into the awarding of the contract for the new TFX fighter aircraft is proving to be important, not only in terms of the future of defence contracting, but also in terms of the relations between Congress and Administration.[2] The TFX 'scandal' is partly an anti-centralization effort being mounted by Congress—an

[1] *The Times*, 27 December 1962.

[2] Senator John L. McClellan (Democrat, Arkansas) has initiated a Senate investigation into the allocation of the prime contract for the new TFX fighter plane (sardonically dubbed the 'LBJ' after Vice-President Lyndon Baines Johnson, a Texan) to the Fort Worth, Texas, plant of General Dynamics (Convair) and the Bethpage, Long Island, Grumman Aircraft Company. It is reported that the Boeing Company's proposals for the TFX were preferred by the military services concerned at every level of competition on the basis of both cost and performance. (*New York Times*, international edition, 2 March 1963.)

effort that is rapidly attaining major proportions because of its implications for the balance of power. The investigation may serve as a forum for a preliminary confrontation between Congress and Mr McNamara over the latter's attempts to dominate the entire defence policy process.

The Joint Committee on Atomic Energy has already indicated that it will oppose the sharing of nuclear secrets with the United States' NATO partners in any proposed multinational deterrent force. Again, the reaction of Congress on this point also may be strengthened by its displeasure at being by-passed in the decision-making process.

Congress has usually had more say on issues in defence organization than on policy issues. In the former case, bargaining within and between the services is less vital than in the competition for limited appropriations funds. Congress, in turn, because of its greater role in this field, has not had to assert itself by arbitrary action. The Administration's military pay-rise proposals this year, for example, are finding considerable favour with a Congress generally loath to increase any federal salaries.

Similarly, Secretary McNamara has been able to accomplish the essentials of his National Guard and Reserve reorganization scheme despite last year's strong Congressional opposition. Through the adoption of 'new physical, mental, and training standards', for instance, he will be able to reduce National Guard and Reserve strength to very near the 642,000-man level that he proposed last year.[1] His proposal had been countered by a 'mandatory' Congressional authorization for a 700,000-man level.[2] By recognizing the need of individual Congressmen to maintain jealously guarded state interests in the National Guard and Reserve programmes (he agreed that almost all the existing armouries would continue to be used for the programmes) Secretary McNamara had satisfied Congress. There was no need for Congress to oppose him further, since in this organizational matter he posed no threat to the balance of power.

Interests of individual Congressmen

A second factor in the conflict between the Administration and Congress over defence policy is the important political stake that individual Congressmen have in the outcome of discussions on defence policy. A Congressman must, within the limits imposed by an ill-defined sense of 'national interest', also represent the interests of his constituents, as indeed the Chiefs of the various military services must represent, to some extent, the views of their 'constituents'. Since the second World War, this Congressional representation in matters of defence policy has most frequently taken the form of attempting to maintain or advance the share of Defence Department expenditure on armaments and military installations which a Congressman's constituency receives. Indeed, in an age

[1] *New York Times* (int. ed.), 3 December 1962.
[2] *Congressional Record*, 1 August 1962.

when expenditures on weapons systems total thousands of millions of dollars annually, defence contracts can represent economic prosperity for a state or Congressional district. This economic prosperity in turn represents potential votes for Senators and Representatives. Conversely, Congressmen have an interest in keeping programmes going, and are likely to oppose the cancellation of contracts in their constituencies.

For some areas of the country—for example, Los Angeles county—economic survival depends on defence contracts; for Congressmen representing these areas, the fluctuation of defence contracting sometimes has crucial significance.[1] The cessation of production of B-52 bombers at Boeing's Wichita, Kansas, plant, for example, is reported to have affected 35,000 workers and 4,000 sub-contractors. Douglas and Northrop together employed about 15,000 people on the *Skybolt* project; Douglas Aircraft Company, possibly timing its action for maximum political effect on the new Congress, reduced its payroll by 4,000 in January.[2] Similarly, one of the major aircraft unions claimed that the *Skybolt* cancellation threw 14,000 members out of work, representing a potential loss to the Congressmen involved of the votes of these 14,000 workers plus the votes of their dependants.

Distribution of defence contracts

To a certain extent the Defence Department appears to have recognized the need for individual Congressmen to consider the economic interest of their constituencies; the first evidence of this involves the distribution of defence contracts. The Defence Department has a paramount interest in selecting contractors who will fulfil specifications at minimum cost—merit contracting. Some contracts, however, especially those involving research and development work, have been excluded from competitive bidding because of the almost impossible task of estimating costs in advance. In these instances where 'merit' criteria are less meaningful, contracts often appear to be awarded on a rotation basis, with speculation in the press centring on those technically capable firms that have gone 'hungry' the longest.

This way of giving contracts is not necessarily pernicious. By encouraging several different companies, the Defence Department ensures that, in a crisis, sufficient experience and industrial potential will be available to

[1] Paradoxically, therefore, traditional Congressional reactions to wasteful governmental expenditures are often deferred when defence contracts or military installations hang in the balance.

[2] Where contracts are involved, industry, as well as Congress, tries to exert influence on the policy of the Defence Department. Douglas, for example, praised *Skybolt* in two-page advertisements in the American editions of leading news magazines such as *Time*, *Newsweek*, and *U.S. News and World Report* during the early stages of the *Skybolt* controversy. This advertisement asserted that 'to date several successful tests have been made and the aircraft-to-missile compatibility has been demonstrated.'

undertake as yet unforeseen tasks.[1] Similarly, rotation of contracts prevents the development of monopoly situations, which would result in excessive prices being paid by the Government for projects. On the other hand, non-competitive contracting can subject contractors to undue political pressure. Last year, for example, several Congressmen brought the charge that contractors were being 'blackmailed' into exerting pressure on their Congressmen to vote for the Administration's proposal to raise the ceiling on the national debt.[2] Because of the very obscurity of criteria for selecting research and development contractors, the potential for political abuse is high.

In political terms, rotation contracting pays dividends to Administration and Congress alike. Congressmen are given an opportunity to gain support for their own political positions. The Administration, in turn, while ostensibly adhering to the principle of merit contracting, can expect to gain more Congressional support for defence as well as other legislation than would be the case if contracts became too much concentrated in one area or in one firm.[3] In addition, the Defence Department will often permit a Representative or Senator (sometimes the Representative and both Senators for a particular state, especially if all three are of the President's political party) to announce the awarding of a contract. This privilege results in the association of the contract with the Congressman in the minds of voters, whether there is any justification for such association or not.

From the foregoing discussion, it might be possible to conclude that much of the Congressional reaction to the Administration's decisions on the RS-70 and *Skybolt* results from the economic and political impact of a widespread reduction, or at least redistribution, of expenditures and employment. However, because of the increase of expenditures for other projects, as well as the participation of affected firms in other defence work, the political effects of the decisions on the RS-70 and *Skybolt* will probably be short-lived.

Long-term Congressional attitudes on the SAC programmes, therefore, are not likely to be determined by the parochial interests of individual Congressmen.

There is a third factor to be considered in the conflict between Administration and Congress, namely, the vantage point from which a political

[1] Since the Convair Division of General Dynamics might well have closed down apart from the awarding of the TFX contract, this may have been an example of rotation-contracting.

[2] See *Congressional Record*, 14 June, 18 June, and 12 October 1962.

[3] Excessive allocation of defence contracts to certain areas—particularly southern California—has brought reactions from Congress, as evidenced by a non-partisan attack last year by mid-west Congressmen on the Defence Department's seeming neglect of that region. This neglect was, of course, at least partly due to the more favourable distribution of resources in the east and west.

decision is viewed, particularly in the assessment of defence policy. During the 1960 presidential campaign, for example, Senator Kennedy attacked President Eisenhower's virtual cancellation of the B-70 programme, achieved by impounding of B-70 funds.[1] Apart from the partisan element in his support for the B-70, Mr Kennedy was approaching the problem of defence policy as a Senator interested in gaining recognition by the Administration for Congressional views. After his election as President, he continued for a time to regard the B-70 as he had when he was a Senator and increased the investment in the programme to provide for procurement of three prototype aircraft. Soon, however, he adopted a new position, based on his vantage point as President and leader of the Administration's defence policy. Indeed, his present stand on the RS-70 is practically indistinguishable from that of President Eisenhower on the B-70: both argued that the bomber would be obsolete before it was produced, and both impounded funds made available to the programme by an enthusiastic Congress.[2]

One major reason for the difference of attitude between Congress and Administration on the subject of defence is the difference in the nature of their constituencies. The President, with a national constituency, can stand on a composite programme of defence together with other legislation; the individual programme does not count for much in terms of his total political support, and he can afford to take more of an over-all view of defence. The individual Congressman, on the other hand, must often measure his support in terms of the 'minor' issues. He must, for example, consider his constituency's success in obtaining defence contracts or military installations and, in addition, must demonstrate support for the general defence effort by backing *all* the Administration's major requests for military expenditures.[3] Furthermore, members of Congressional committees responsible for military matters—committees that lead Senate and House opinion on defence—take the constitutional responsibilities of Congress on defence matters very seriously.

[1] He was quoted by Senator Barry M. Goldwater (Republican, Arizona) as having said to an audience interested in the future of the B-70: 'We have been trying for two years to get the B-70 in California $300 million the Congress appropriated.' (*Congressional Record*, 8 March 1962.)

[2] The Congressional attitude towards defence matters is not necessarily an invalid one. Congress has been proved 'right', notably when it supported the *Polaris* project years before it received enthusiastic support within the Administration. Similarly, Congress has twice salvaged the career of Vice-Admiral Hyman G. Rickover, 'father of the nuclear submarine', and will try to do so for a third time this year. On each occasion the Navy has attempted to force the retirement of the controversial Admiral.

[3] On 11 March, for example, the House of Representatives approved, after only cursory debate, a four-year extension of the Selective Service Act by a vote of 387 to 3. The Senate, after a ten-minute 'debate', concurred.

Balance of power considerations

Of the three major factors in the conflict between Administration and Congress over defence, the decisive one is the desire on the part of Congress to redress the unfavourable balance of power between itself and the Administration. Primarily for constituency reasons, Congress has shown reluctance during the past few years to *reduce* military spending. It has, in effect, abdicated its 'power of the purse strings', and has had to try to maintain the balance of power by *increasing* military spending. But the realization of power through appropriating unrequested funds is not as simply effective as the realization of power by withholding appropriations. To date, Congress has not shown that it has the power to require the President to spend funds appropriated for specific defence purposes. Furthermore, by not including 'mandatory' language in the RS-70 appropriation for fiscal year 1963, it has for the time being avoided a constitutional test of its powers in this matter. By impounding funds, the President prevents their use; Congress has not devised a method to force him to give way.[1]

Congressional committees

The means adopted by Congress to attempt to redress the increasingly unfavourable balance of power is centred in the Congressional committees, principally in the two Armed Services committees and the two Military Appropriations sub-committees.[2] The chief function of these committees, as far as Congressional power is concerned, is to lobby with the Administration through public hearings. At these hearings, grievances presented at the Administration level are aired once again. A conflict of loyalties is often thereby created for testifying military officers, between loyalty to the Defence Secretary and loyalty to an individual service or personal viewpoint. In an effort to eliminate this conflict in the Administration's favour, Secretary McNamara has attempted to curb the appeal by officers to Congressional committees over the head of the Administration. This practice can, however, only stiffen Congressional resolve to regain power in defence matters.[3]

[1] Impounding does have its beneficial aspects, as when a non-controversial project is halted or develops a surplus of funds. From the Administration point of view, it is as effective as the 'item veto'—a device for vetoing sections of Bills—that Congress has long denied the President.

[2] California's Senator Claire Engle asserted the right of Congress to participate in defence policy decisions when he avowed that the members of the four Congressional committees most concerned with defence policy '. . . have more brains and more experience with this military business than does any civilian section today in the Department of Defense, including the brilliant and capable Secretary of Defense, Mr McNamara'. *Congressional Record,* 13 June 1962.

[3] Senator A. Willis Robertson (Democrat, Virginia), in trying to get an Assistant Secretary of the Air Force to testify freely despite instructions to the contrary, stated: 'There is a fundamental principle here . . . and that is, Shall the executive

By receiving individual testimony, particularly from representatives o service interests which have been unsuccessful during Defence Depart ment bargaining, Congressional committees have created active suppor for programmes, such as that of the RS-70, among many (but definitel not all) of the remaining Congressmen. They have also acted as lobbyin agents for their own and service interests, and have often helped to brea up the centralized authority of the Defence Department. In the RS-7 and *Skybolt* disputes, for example, there can be little doubt that the force ful testimony of General LeMay has brought before Congress issues tha would not otherwise have attracted so much attention or Congressiona support. Indeed, General LeMay strongly recommended an expenditur of $491 million for the RS-70 for the fiscal year 1963, and this amoun was included by the Senate in its version of last year's Authorizatio Bill despite objections from the Defence Department. If, as expected General LeMay's appointment as Air Force Chief of Staff is not renewe this July, considerable impetus on the part of Congress for SAC pro grammes will be lost.[1]

Because of its need, in terms of the balance of power, to fragment th authority of the Administration on defence matters, Congress ha developed an implicit trust in military men, especially experience officers like General LeMay. This trust is not granted to civilian officials perhaps not even to Mr McNamara himself. Although widely respecte by Congress, the Defence Secretary's influence on the question of SAC programmes has so far not been able to outweigh that of some of hi military subordinates. Similarly, Congressional defence specialists ten to favour the military's enthusiasm for a 'mix' of weapons that woul prolong the role of the manned bomber far beyond the Defence Secre tary's time-table for phase-out. Congress has also lobbied for the main tenance of three separate services against unification moves within the Administration.

The most important form of Congressional committee lobbying or defence is represented by the appropriation of unwanted funds. The President must take notice of the Congressional appropriation, and must always be in doubt—as President Kennedy was before the Rose-Garden Compromise—concerning the determination or ability of Congress to retaliate against any overriding of its will on defence policy.

branch of the Government tell the legislative branch what information it can get before it appropriates money for the executive branch to spend?' See *Hearings, Senate Military Appropriations sub-committee*, 1962.

[1] There is also reported to be a conflict within the Air Force and Defence Department concerning a successor for LeMay, with the 'missile Air Force' favouring General Bernard A. Schriever, Commander of the Ballistic Missiles Division, and with LeMay favouring either of two Generals who have manned aircraft backgrounds. (*New York Times* [int. ed.], 18 February 1963.) In the unlikely event that LeMay were to be succeeded by a manned-bomber advocate, the intensity of Congressional support for SAC could be more easily maintained.

Possible lines of Congressional action

If the Kennedy Administration were to continue to ignore Congressional lobbying on the RS-70 and *Skybolt* issues, Congress would be faced with three alternatives. First, it could elect not to press beyond its lobbying efforts. Along this line, the House of Representatives has already voted to authorize $363·7 million for the RS-70 for fiscal year 1964, despite Administration indications that it will not honour new funding proposals for the super-bomber. Representative Vinson, Chairman of the Armed Services committee, stated that 'we felt it our duty to put [the RS-70 authorization] in'[1], but his committee left 'mandatory' language out of the authorization. In addition, the McClellan committee investigation into the TFX contract may dramatize the conflict between Mr McNamara and Congress, but it will probably not result in any definitive Congressional action.

Secondly, Congress could take minor vengeance by reducing some other defence appropriation—a course that it would be reluctant to take for constituency reasons. Finally, it could vent its displeasure by obstructing the Administration's programmes in other fields. This last possibility is most important not only for this session of Congress, but also for future relations between Administration and Congress.

Whether Congress will resort to damaging the President's other programmes, and whether the Administration, faced with such a prospect, will remain adamant against spending funds on manned bombers, are questions which depend upon the importance in political terms of the issue to each side. Is the President likely to object to the spending of a few more hundred million dollars in the manned bomber field if this would forestall Congressional attacks on such programmes as Foreign Aid or Tax Reform? On the other hand, does the individual Congressman value White House concessions on *Skybolt* and the RS-70 enough to risk losing Federal patronage, defence contracts, military bases, White House support for special-interest legislation, or standing with the leadership in the House and Senate?[2]

The initiative in any confrontation between Congress and Administration this year must rest with Congress, which is the branch suffering loss of power, and it must weigh up the political costs involved in defiance of the Administration. There is also, however, the question as to whether

[1] *New York Herald Tribune* (European Edition), 26 February 1963. Vinson also stated that the down-grading of manned bombers by the Defence Department '. . . is a dangerous course, and one that the committee intends to do everything in its power to stop'. It is an open question whether the 'power' of the committee extends beyond the ability to influence Congress to appropriate funds.

[2] Administration pressure could, of course, be most effectively brought to bear on Democratic Congressmen, who benefit most from supporting the Administration. Republicans are also subject to influence over defence contracts, however. The TFX, for example, will be produced primarily in Democratic Texas (Convair) rather than in Republican Kansas (Boeing).

Congress would be able to mount an offensive against non-military legi lation—that is, whether there are enough Congressmen who would l willing or able to carry their desire for political parity in defence over the non-defence field. The factor that may decide this question is tl degree of partisanship involved in the whole defence issue; partisansh could potentially bring sufficient cohesiveness for action.

Non-partisanship on defence issue

So far, the issue has tended to be non-partisan. In the floor debate la year on the RS-70, for example, Senator Dirksen (the Republican Mino ity Leader of the Senate) combined with liberal Democratic Senator Pro: mire in support of the Administration. In opposition, New Frontiersme Jackson and Symington joined conservatives in both parties, fro Southern Democrats like Russell to Republicans like Goldwater an Saltonstall. Nor was this alignment based purely on constituen interest: many of the RS-70 supporters in both Houses had little at stal in the project in their constituencies.[1] With this non-partisan alignme of support repeated in early Congressional pronouncements on *Skybo* there is little likelihood of partisan retaliation against non-milita Administration policies. Even the loose alignment of liberals against co servatives appears to lack the cohesiveness that would be necessary f 'partisan' action.

On the other hand, such ostensible non-partisanship should increa the pressure to be exercised by Congress as a whole in struggling f recognition in the field of defence policy.[2] If this recognition is not fort coming, dissident elements in Congress, working separately but with roughly common objective, might assert the independence of the legi lative branch by letting Administration measures languish in committ from sheer inertia.

Finally, it is not possible to tell to what extent a Congressional oppos tion on the RS-70 and *Skybolt* issues, even if it appears to be cohesiv could actually be turned into votes. In the case of the RS-70 impoun ing, for example, Congressmen were able to vote for increased appr priations with reasonable confidence that their votes would not result i the actual spending of the funds voted. If, on the other hand, a Congre sional appropriation guaranteed an expenditure by the Administratio enthusiasm might wane, especially among members with little at stal in terms of defence contracts in their constituencies.

[1] Because of the size of weapons systems projects, however, with thousands sub-contractors, there are few areas of the country not affected in some way by tl vicissitudes of individual projects.

[2] Such non-partisanship was convincingly demonstrated in last year's figl over the Administration's National Guard and Reserve reorganization plans. this time, also, 'mandatory' language was included in the House–Senate Confe ence committee's version of the Bill. Of course, this was an organizational iss

Possible Administration tactics

Even if Congress were in a position to muster the necessary votes, the Administration could easily avoid a showdown on defence policy by a series of delaying tactics, such as characterized last year's adroit handling of the RS-70 problem after defence specialists in Congress had baulked. The *Skybolt* project itself, of course, is dead. The Administration demonstrated keen political acumen by cancelling it last December when Congress was not in session. To placate demands for some sort of bomber programme, however, the Administration could expend further RS-70 funds in the coming fiscal year.

In addition, there is a possibility that the Air Force will be given yet another bomber project, the *Dromedary*—a low-flying missile-armed aircraft that could remain aloft for days at a time. The *Dromedary* project in its research and development phase would provide the Administration with a political buffer at a lower cost than that involved in the production of RS-70s or *Skybolt* missiles.[1]

Conclusion

In speculating about the outcome of this year's conflict between the Administration and Congress, one must consider what is fundamentally at stake for Congress. Do its defence policy leaders feel strongly enough that the Administration has made excessive inroads into Congressional prerogatives? If so, is the future role of SAC a good issue on which to stage a confrontation? Even if the answer to the first question were 'yes', the emphatic 'no' in answer to the second must undermine Congressional determination. SAC's manned bombers will in any event be defunct in a matter of a few years. Hence, delaying tactics on the part of the Administration could carry the controversy over until a time when the Congressional position would have deteriorated through the very passage of events, or at least to a time when Congress, even if successful, would be left with a hollow victory.

If Congress is to confront the Administration on defence policy with a view to winning new or regaining old prerogatives, therefore, it would do well to select a better issue than the SAC's manned bomber programmes. Otherwise, in championing a cause that has less and less meaning with every advance in missilery and defence against manned aircraft,

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where, because Defence Department bargaining was not crucial, the Administration did not choose to remain obstinate in the face of Congressional demands. The non-partisan character of Congressional response strengthened the political position of Congress, however.

[1] See *New York Herald Tribune* (European edition), 13 March 1963. On the other hand, the Air Force's chief contestant for a military space programme, the *Dyna-Soar* (X-20), is on the verge of being cancelled by the Secretary of Defence, who is reputed to favour the *Gemini* project for any possible military space role.

Congress might forfeit its primary aim, the assertion of its own authority in the technocratic world of modern defence. It is most likely, therefore, that Congress will postpone any fundamental challenge to the present balance of power until a future session.

If, however, Congress should choose the SAC issue, the very choice of such a weak vehicle would highlight the urgency of Congressional need for recognition of its rights in defence policy. In this event, the Administration might decide to make some fundamental concession to Congress on defence policy matters. Such a concession might take the form of some type of participation for Congressional defence specialists in the Defence Department bargaining processes. This could sublimate part of the desire for a Congressional attack on the President's non-military programme.

Although the question of centralization within the Defence Department would still not be settled, Mr McNamara would then be substantially reinforced in his efforts to transform the character of the Department and its appendages (for good or ill), since he would face less of a desire on the part of Congress to fragment Administrative authority in defence.

Finally, the President could expect more favourable treatment of his programmes in general on the part of the eighty-eighth Congress.

The confrontation between Administration and Congress this year will probably not be pursued by Congress with sufficient vigour to result in such a concession on the part of the Administration. Until such a confrontation is conducted effectively, however, Congress will continue to lose power in defence policy matters. Only when it develops a strength of resolve over a more worthy issue than the Strategic Air Command will it force the Administration to make concessions which can resolve a fundamental clash of power.

The Somali Republic since independence

I. M. LEWIS

THE unexpectedly early grant of independence to the British Somaliland Protectorate on 26 June 1960, and the new State's union with Somalia when the latter became independent five days later, seemed scarcely to offer the most propitious beginning for the future of the new Somali Republic.[1] Yet, despite this abrupt union for which little preparation had been made, and notwithstanding such unkind strokes of fortune as the flood devastation last year, the Somali Republic can justly pride itself on a record of steady progress since independence. That this has been achieved at little or no cost to the traditional democratic principles by which Somalis set such store is an additional cause for satisfaction.

When the two constituent territories united, a coalition Government was formed from the governing parties under the premiership of Dr Abdirashid Ali Shirmarke; and in spite of several political crises, Cabinet changes, and the withdrawal last autumn of one of the coalition parties, Dr Abdirashid's Government is still in power. The democratic Constitution, which provides for a representative President as Head of State and an executive Prime Minister and Council of Ministers, was prepared in Somalia before independence and unification. The application of the Constitution to the Republic's Northern Regions (the former Somaliland Protectorate) was ratified by a national referendum held on 20 June 1961. Thereafter the National Assembly elected as the first President Adan Abdulla Osman, who had been provisional President from the day of independence.

Dr Abdirashid Ali Shirmarke, a graduate of Rome University, who had been Premier since independence, was again asked to form a Government. This he did on 27 July, but the National Assembly, disapproving of the newly enlarged Cabinet, passed a law limiting the number of Ministers to twelve and Dr Abdirashid resigned. He was prevailed upon to reconsider his decision, however, and on 19 August presented his new Cabinet of twelve Ministers (drawn from the Somali Youth League, Somali National League, and United Somali Party) to the Assembly. His Government's programme, backed by loans to the value of £25 million

[1] See 'The New East African Republic of Somalia', in *The World Today*, July 1960.

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(mainly from Egypt, West Germany, the U.S.S.R., and Czechoslovakia) and direct aid (from Italy, Britain, and the United States), was overwhelmingly accepted by the Assembly.

Economic developments

This considerable sum made possible a range of development projects which would have been out of the question before independence. The mainstay of the country's economy, of course, continued to be the export of bananas to Italy from the southern plantations, and the export of hides and skins and livestock on the hoof from the pastoral areas which make up so much of the Republic. But it was now possible not only to improve these traditional industries but also to begin to exploit a wider range of resources. The plantation fruit industry is now being expanded; cotton cultivation, successful before the war, is being redeveloped; and an ambitious mechanized project for the cultivation of wheat and sorghum at Tugwajale in the Northern Regions, started in September 1960, is proving highly successful. In other districts new industries are being introduced. Egypt has recently made available a grant of £4 million to promote the production of cement, textiles, and meat products. Russia is providing a cotton gin, a meat and fish canning plant, and a dairy factory. Last summer Russian cheese-making experts toured some of the rural areas, demonstrating the manufacture of cheese to tribesmen who often lack an economic outlet for their surplus milk.

Hitherto a serious impediment to the development of the export trade has been the lack of adequate port facilities. This is now being remedied. Work on a £2½ million U.S.-aided port development scheme at Kismayu began last September, and Russia is surveying the northern port of Berbera with a view to its development. On the long-term view, however, perhaps the most important project is the hydrological and resources survey of the Shebelle and Juba valleys, financed by the United Nations Special Fund, on which work began last year. Another important step taken last year was the establishment of a central planning commission for social and economic development. This body will co-ordinate all development schemes.

The total effect of these various projects which are directed towards increasing the volume of exports and decreasing the amount of imported products will not, of course, be felt for a number of years. Yet already the volume of exports has increased considerably since independence, and revenue derived largely from customs and excise dues has increased proportionately. During 1962 new fiscal and accounting procedures were introduced to curtail public expenditure, and a system of tender-boards has been established which enables the Government to purchase goods at a fraction of the prices charged by Italian merchants in the past. These improvements will, it is thought, enable the Republic to balance its

budgets within a few years without recourse to the recurrent foreign aid (mainly from Italy and Britain) which has been relied on in the past.

Economically, therefore, although the Somali Republic is still a desperately poor country, the story since independence is by and large one of success. In the field of social services, particularly in medical services, notable advances have also been achieved. An urgently needed large new general hospital has been built by the European Economic Community at Mogadishu, and several new cottage hospitals are under construction with Russian aid in the rural areas.

Problems of the dual colonial heritage

In other fields progress has been less spectacular perhaps, but no less important. Certainly it is impossible to minimize the problems which the Republic inherited from its dual colonial heritage. There were considerable differences not only in administrative organization and procedure, particularly in fiscal and accounting methods, but also in law and education and, most serious of all, in language. Although a linguistic commission appointed by the Ministry of Education has recommended the adoption of the Roman script for the Somali language, the Government has not yet considered it politic, because of the traditional prestige of Arabic in a Muslim country, to implement this recommendation.

Meanwhile, for all practical purposes, Italian and English remain the official languages, and this duplication seriously impedes efficient administration. For while most of the officials and politicians of the ex-Italian Southern Regions have some knowledge of English, hardly any of their colleagues from the ex-British Northern Regions know any Italian. This means that in the conduct of government business it is usually necessary to duplicate positions so that both Italian and English speakers are available. The trend now, however, is towards the universal use of English, which is progressively being given prominence at the expense of Italian in the school curricula of the south. But it will be many years before English completely replaces Italian, and the need to adopt a rational script for Somali is more urgent than it ever was in the past.

To add to the present confusion, the Italian connection remains especially strong at the highest educational level. Although many Somali students are studying in Britain, the United States, Egypt, and Iron Curtain countries, the Italian Government last year awarded 100 scholarships for study in Italy, and the expanding University Institute at Mogadishu is still linked to an Italian university. It is not impossible, however, to envisage this institution being ultimately incorporated in the University of East Africa, if the present trend towards closer association amongst the East African States continues.

While the lack of a single written national language and the continuing use of both Italian and English serve to perpetuate the differences be-

tween north and south, in other directions the gap between the two regions has been effectively narrowed. Thus, with U.N. expert advice, work is now well advanced on the preparation of a unified legal code. And, at the end of last year, an Establishment Commission was set up to implement the salaries and conditions of service laid down by the new Civil Service Law. Hitherto the ex-British officials of the north have enjoyed much higher salaries and in some respects better conditions of service than their ex-Italian colleagues in the south. These unfortunate anomalies will now be ironed out, and a fully unified civil service established.

Already measures have been taken to ensure that as far as possible northern and southern officials are posted on a national rather than on a regional basis. Disaffection in the Northern Regions last summer prompted a general reposting of most administrative officials so that many northerners were moved south, and southerners moved north. Previously, similar steps had been taken in other branches of the civil service and in the national army, where a failure to post army officers on a national basis and the ambitions of some Sandhurst-trained cadets had led to the abortive military *coup* organized in the north at the end of 1961.

Rift between north and south

These and similar measures which, ideally, might have been taken earlier have helped to strengthen national solidarity; but it would be contrary to the facts to suggest that the active opposition which the present Government encounters in the north has yet been mollified. This continuing rift between north and south is partly the consequence of the two separate colonial legacies and of the lack of adequate preparation prior to unification. It is enhanced, of course, by the remoteness of Mogadishu, the capital, where the National Assembly sits, from the administrative centres of the north. This helps to foster the belief among northerners that their territory receives less than its fair share of progress and development generally. But more fundamentally, underlying all these factors, a serious clan antagonism exists. For the Isaaq clansmen who form the bulk of the ex-Protectorate population are traditionally opposed to the Darod and Hawiye clans which, with the Rahanweyn, make up most of the population of the Southern Regions.

It is difficult to assess to what extent this clan-based rivalry played a significant part in the short-lived military *coup* of December 1961. But it was certainly this antagonism which was the main factor in the serious discontent in the north last summer which led the Government to dispatch three northern Ministers to seek to remedy the situation, and prompted the President himself to make a prolonged tour of the Northern Regions. The team of Ministers was empowered to take measures to rectify the position, but a dispute later developed about their precise terms of refer-

ence. The *dénouement*—the resignation of the two Isaaq members of the party (one the Minister of Education and former Chief Minister of the ex-Protectorate) followed by a Cabinet reshuffle—has had the healthy effect of bringing the northern Isaaq discontent into the open in the National Assembly. This has led most of the Isaaq-based Somali National League party to withdraw from the Government coalition, and the former Minister of Education has joined forces with Sheikh Ali Jumaleh, the defeated candidate for the office of President of the Republic, to form the nucleus of an effective Opposition.

Yet it would be a mistake to exaggerate the significance of this continuing tension between north and south. Nor would it be correct to see the present political situation as polarized along purely clan or 'tribal' lines. Although the Darod-based United Somali Party from the north has remained with the Government, other Darod members oppose it, nor have all the SNL Isaaq withdrawn their support. Moreover, the Somali Youth League, which forms the core of the present Government and continues to be the strongest party in the country, still has adherents from every clan group. Thus the present party political configuration cannot be described in purely tribal terms and, fortunately for the future, there is in the democratic life of the Republic ample scope for the interplay of natural regional rivalries.

Pan-Somalism

On the whole, despite this continuing friction between north and south and other particularistic rivalries, the union of the two territories has been advantageous to both and this fact encourages Somali nationalist leaders to claim, not without justification, that they have made a positive contribution to African unity. The further extension of the Somali State to include the remaining Somali territories in French Somaliland, Ethiopia, and Kenya is similarly upheld as fully compatible with Pan-Africanism, since Pan-Somalism is based on the principles of self-determination. This Somali view was endorsed by a resolution at the All-African Peoples' Conference at Tunis in 1960, but, despite some sympathy from Ghana and Egypt, it has encountered increasing difficulties at Pan-African meetings since.

Constitutionally, the simplest accession to the Somali State would, of course, be that of French Somaliland. For although France continues to oppose the nationalist movement for full independence of her overseas territory, if this were granted, union with the Republic would represent the union of two independent States on the pattern of that between the ex-Protectorate and Somalia. No question of territorial integrity would be involved, as is unfortunately the case in respect of Ethiopian Somaliland and the Northern Province of Kenya.

But, constitutional impediments aside, the main obstacle to any further

realization of the Pan-Somali goal is the position adopted by Ethiopia, which has consistently opposed Somali unification. Ethiopia seeks to retain the million or so Somalis under her jurisdiction and cannot afford to concede the principle of self-determination to Somalis on ethnic grounds. Ethiopia also has a considerable interest in French Somaliland through her use of the port of Jibuti and her virtual control of the line of rail from that port to the Ethiopian highlands. Consequently, the Ethiopian Government has strongly backed the refusal on the part of the Kenya African National Union and the Kenya African Democratic Union to concede that the 200,000 or so Somalis in the Northern Frontier District of Kenya should be allowed to secede with their territory to the Somali Republic.

The Northern Frontier District of Kenya

The Somali Government holds the view that the Northern Frontier District has always been administered in such a way as to accentuate the differences in way of life, religion, and national sentiment of its peoples from those in the rest of Kenya. Hence the Government of the Republic maintains that the future political status of the Somali peoples of the District is a matter between them and the British Government alone. It also contends that the only independent African State with a legitimate interest in the issue is the Somali Republic, which, by its Constitution, is pledged to promote Somali unity as well as Pan-Africanism.

When the Northern Frontier District Commission was appointed last October to ascertain the views of the people of the region as to their future, the Somali Government indicated that it would accept the Commission's findings. Indeed, its only regret was that the Commission's terms of reference, which did not include making recommendations for the future, did not go far enough. There was no serious doubt that the Commission would find, as it did[1], that there was virtual unanimity amongst the Somalis in favour of secession and eventual union with the Republic, and that this was also true of the Muslim Boran of the District.

Despite the Commission's unequivocal findings, the constitutional arrangements for Kenya recently announced by the British Colonial Secretary provide only for the creation of a new seventh region embracing the Somali areas of the Northern Frontier District. This decision, which appears to rule out the possibility of Somali secession from Kenya, has naturally aroused hostility in the District and in the Somali Republic. Indeed, to mark the depth of its frustration the Republic has reluctantly broken off diplomatic relations with Britain.

To Somali this is a further injury in the long train of British betrayals of Somali interests which began with the Anglo-Ethiopian treaty of 1897. The result, unless the situation is redressed, is that Britain loses the good-

[1] See *Report of the Northern Frontier District Commission*, Cmnd. 1900.

will of one of the most democratic States in Africa, whose Government has hitherto pursued a moderate policy of neutrality and non-alignment. That this policy will continue can no longer be assumed; and, in view of the considerable Chinese Communist interest in the Horn of Africa, the long-term effects of forcing some 200,000 Somali tribesmen to remain in Kenya may be far-reaching and ultimately damaging to Western strategy in Africa.

Relations with Ethiopia

Ethiopia has naturally watched the progress of this issue with keen interest, fearing the establishment of a precedent which would, in theory at least, be equally applicable to her Somali subjects. But even if there were no Somalis in Kenya and the Northern Frontier District problem did not exist, there would still be much to make for hostility between these neighbouring African States. For, on achieving independence, the Somali Republic inherited the old Italo-Ethiopian border dispute and also that over the Northern Haud, which Britain relinquished to Ethiopia in 1954 on the questionable basis of the Anglo-Ethiopian Treaty of 1897. In these circumstances it is hardly surprising that since independence the two States have been embroiled in what amounts to a cold war, in which there have been a string of inflammatory incidents and a constant stream of accusation and denunciation by press and radio.

Yet, notwithstanding this recent friction, their long-standing historical antagonism, and their very different political systems, Ethiopia and the Republic have regularly attended the same Pan-African and neutralist conferences—Monrovia, Belgrade, and Lagos—and have also often spoken with the same voice at the United Nations. Indeed, despite the very close links which exist with Egypt, and the generous financial and educational assistance which this co-religionist State has provided, in Pan-African and foreign affairs the Republic has more frequently been in agreement with Ethiopia than with Egypt. Both States attended the meeting of the Pan-African Movement for East and Central Africa held at Addis Ababa in February last year, where they showed interest in the proposed East African Federation. More recently, they both participated in the same movement's attempt at mediation in the Congo.

This wider identity between Ethiopia and the Somali Republic makes the prospect of their joint inclusion in an East African Federation less fanciful than might at first appear. The Government of the Somali Republic, however, regards the reunification of the Somali nation as a necessary preliminary to Somali participation in such a federation. And so far there has been little indication that the Kenyan or Ethiopian leaders are willing to make this concession of sovereignty. Thus, here as elsewhere in Africa, as the President of the Republic recently said in a realistic assessment of the problems facing African unity: 'Pan-African-

ism is in danger of being frustrated by the unwillingness of African rulers to curb their powers and to lift their artificial colonial boundaries.'[1]

The unpalatable truth of this assessment has recently been poignantly reinforced by the satisfaction displayed in Ethiopia and by the two Kenya African national parties at the British Government's decision not to allow the Kenya Somalis to secede and join the Republic. This decision, as noted above, creates a new and serious situation and, however much their external policies may coincide in other matters, at home the relations between Ethiopia and the Republic must remain strained in the extreme. For Somalis the problem remains that of building a State on the full basis of their nationhood, while for other African countries the problem is to create nations out of States.

Technical assistance for human rights

A new approach to an old problem

ROSALYN HIGGINS

THE U.N. Commission of Human Rights has been meeting in Geneva from 11 March to 5 April to consider the reports of its various commissions. Among the questions on its agenda is a topic that has received scant publicity—advisory services for the implementation of human rights.

Until comparatively recently, international efforts to enforce the application of fundamental freedoms have been directed at States technically able, but politically unwilling, to apply them themselves. This generalization has applied equally to totalitarian dictatorships, to colonial oppression, and to national disregard for the rights of racial minorities. The emergence of new African and Asian States has, however, both enlarged the scope of the problem and, in part at least, changed its nature. In many of the newly independent countries it is to be expected that non-observance of human rights will be the result of inadequate technical and administrative skills as much as of political bad faith.

The trend to authoritarianism in new nations, while understandable, gives little cause for comfort so far as human rights are concerned. That strongly centralized control is thought desirable by Governments which are faced with both tribal conflict and urgent economic difficulties is hardly surprising. Moreover, the psychological reaction in new States

[1] At a State banquet in Mogadishu in honour of Mr Kenyatta, 28 June 1962.

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ainst 'typically Western concepts', parliamentary democracy being ted among these, is hard to exaggerate. During his visit to England in ly last year, the U.N. Secretary-General, U Thant, gave the warning at one-party rule in new countries was to be expected. He appeared also be of the opinion that this was no cause for regret or criticism. It would em, however, that an understanding of a situation need not develop to an apologia for it, and that to permit it to do so is to forfeit too facilely e merits of democratic government.[1] Be this as it may, it is apparent at there is work to be done in implementing human rights and the contion is here made that the new factors mentioned above require a fresh proach to the problem.

The United Nations, having played a considerable role in the bringing independence of many of the new nations, bears a special responsibility wards their citizens. Moreover, it has authority under the terms of the harter, which contains numerous references to human rights,[2] for 'prooting and encouraging respect for human rights and fundamental freems for all without distinction as to race, sex, language, or creed'. Since 48, when the Commission of Human Rights was established, the nited Nations has devoted much time to the upholding of these rights, th varying degrees of success. Much of the effort of the first eight years is directed towards a comprehensive listing of these rights, and the eclaration of Human Rights, which is not legally binding, was the result these efforts. Immediately thereafter the Commission of Human ghts, together with its three subsidiary bodies on the Status of Women, eedom of Information, and Prevention of Discrimination and Protecon of Minorities, initiated efforts to draw up a Covenant on Human ghts which would bind all those States which became parties to it. This rk is now primarily in the hands of the Third Committee of the Assemy. The task has been approached by dividing the subject-matter into litical and civil rights, and economic and social rights. The aim to proice two legally enforceable Covenants has not so far met with success, ough slow laborious progress continues to be made.

Recent events make it apparent that a new approach to the whole probn must be found. In short, it is necessary that in its human rights work e United Nations change from 'definitional' activities to 'operational' tivities. The embryonic beginnings of just such an altered policy have en visible during the last few years, manifesting themselves in a variety ways.[3] One of these is the initiation of a programme of technical assistce especially aimed at human rights.

[1] For a discussion of the implications of U Thant's comments, see *Spectator*, July 1962, p. 47, and *The Economist*, 21 July 1962, p. 222.

[2] See the Preamble, Articles 1(3), 13(2), 55(*c*), 66(2), 68, and 76(*c*).

[3] These were commented on at the time by John Humphrey, 'Human Rights: ew Directions in the Human Rights Program', in *New York Law Forum* (1958), 391.

The inception of the programme

At the ninth session of the Commission of Human Rights in 1952 three draft resolutions were submitted by the United States proposing, respectively, the initiation of a series of studies by experts on specific human rights; the introduction of annual reports by member Governments on developments in their own countries; and the establishment of technical assistance in the field of human rights on lines similar to the existing social welfare services. The Economic and Social Council, after protracted debate, voiced approval of the idea inherent in this last proposal by a series of resolutions.[1] In these it noted that under Article 66 of the U.N. Charter ECOSOC may 'with the approval of the General Assembly, perform services at the request of members of the United Nations and at the request of Specialised Agencies', and suggested that the Secretary-General should be authorized to render, at the request of member States, services which did not fall within the scope of existing technical assistance programmes. These services were to embrace the areas of work of the sub-commissions—the promotion of the rights of women, the prevention of discrimination against minorities, and the guaranteeing of freedom of information.

The resolutions were approved by the Assembly in 1953, upon the recommendation of its Social, Cultural, and Humanitarian Committee (the Third Committee),[2] and eventually the technical assistance programme in these limited aspects of human rights was consolidated with the broad programme of assistance in this field. Gone was the traditional term 'technical assistance in human rights', and instead the broader concept of 'advisory services' was born.[3] The Secretary-General now had the authority, in co-operation with ECOSOC and the Specialized Agencies, to provide services in the form of expert advice, fellowships for study, and seminars.

The desirability of a programme of advisory services in human rights

(a) In the light of the draft Covenants on Human Rights

During the discussion in the Commission of Human Rights, in its three sub-commissions, and in the Third Committee of the Assembly, the fear was expressed in several quarters that such a programme would supersede work on the draft Covenants, and prevent the final adoption of legislation. That this would be undesirable was not disputed, though the real views of the U.S. and U.K. delegations may well have differed from this publicly expressed viewpoint. The hostility of the Soviet Union to the programme, on the ground that it would deflect attention from a

[1] ECOSOC Resolutions 502G(XVI), 504J.11(XVI), and 522J(XVII).
[2] General Assembly Resolutions 729(VIII), 730(VIII), and 839(IX).
[3] General Assembly Resolution 926(X).

binding treaty of human rights, was not without justification; for the United States had recently announced that she would not sign any Convention on human rights, and her assurances that she would none the less continue to press hard for the conclusion of such Covenants was hardly convincing. Moreover, there existed strong internal pressures in the United States at that time against the acceptance of any international commitments which might fetter 'States' rights' or the supremacy of American law over international treaties, and the lobbying of this group, led by Senator Bricker,[1] could not easily be ignored. The U.K. Government also was of the opinion that human rights were not a suitable subject for legislation—though its more recent experiences in decolonization have led it to appreciate the value of entrenched human rights clauses. The genuine suspicions on the part of the Soviet Union, taken together with the propaganda advantages of championing a Covenant on human rights, soon created an East–West rift on the question of the desirability of advisory services in this field. Undoubtedly the U.S.S.R. also felt that such a programme would undercut her own bilateral aid to underdeveloped countries.

The position was taken by France and the United Kingdom, however, that the implementation of human rights by Covenant and by advisory services could be complementary rather than mutually exclusive. Chile and Cuba were joined by Yugoslavia in the view that the proposals should span the transitional period until the Covenants were adopted. Ultimately the Western opinion prevailed, and in December 1955 Resolution 926(X) consolidating the programme was passed by the Assembly, by 50 votes to none, with 5 abstentions. Although it contained no express safeguard against Soviet fears, the United States agreed to an amendment of the annual report of the Commission of Human Rights, which achieved this same effect. The amendment included the following clause: '. . . convinced that certain positive steps to promote respect for, and observance of, human rights and fundamental freedoms can be taken without prejudice to the adoption and ratification of the Covenants on human rights, including the measures of implementation provided therein'.[2]

(b) In the light of other existing technical assistance programmes

Another factor to be weighed in assessing the desirability of a technical assistance programme in human rights was the degree to which it might

[1] The so-called 'Bricker amendment' introduced into the 82nd Congress asserted the supremacy of U.S. law over the provisions of any treaty, including the Charter of the U.N. (*Senate Joint Resolution 130, 82nd Congress*). When Congress approved the Constitution for Puerto Rico it deleted a listing of basic rights based upon the Universal Declaration of Rights. (*Public Law 447, Congressional Record, June 23, 1952, 7969–7974*). A full account of this phase of U.S. policy may be found in *The United States in World Affairs, 1952*, published by the Council on Foreign Relations, New York, pp 92–100.

[2] U.N. Doc. E/2731.

adversely affect already existing forms of technical assistance. At the meetings of the eleventh session of the Commission of Human Rights, in April 1955, it became apparent that a number of members, while favouring the proposal in principle, felt that it would necessitate diverting technical assistance funds to a new field at a time when the general technical assistance programme was just gathering momentum. Similar views were expressed at the twentieth session of ECOSOC. Others, however, felt that the new proposals would fill a gap in the existing technical assistance field, and that much could be gained by inter-programme co-operation.

Certainly any administrative difficulties were likely to be considerably eased by the experience of other agencies in allied fields. ECOSOC had already recommended to the Specialized Agencies, as early as 1954, that they give special consideration to requests for aid falling under their regular programme or under the Expanded Programme for Technical Assistance (ETAP), which would be useful in promoting freedom of information; and there had been a similar resolution on the status of women.[1] Both these had been foreshadowed by Assembly Resolution 200(III) of 1948, which arranged for technical assistance in economic development; by Resolution 246(III), which set up an international centre for training in public administration; and by ECOSOC Resolution 442E(XIV) of 1952, which invited the Secretary-General and UNESCO to study ways and means of encouraging and developing independent domestic information agencies.

The implementation of the programme

The choice of basic policies to guide the programme's implementation has presented problems. The General Assembly has discussed this question, and the formal elements of an agreed policy may be found in its Resolution 926(X). This emphasizes that the kind of service to be rendered to each country is to be determined by its own Government, and not by the U.N. Secretariat or any of the participating States. The selection of persons to hold fellowships under the programme is to be made by the Secretary-General on the recommendation of the Government concerned. Moreover, 'the amount of assistance and the conditions under which it is to be rendered shall be decided by the Secretary-General with due regard to the greater needs of the underdeveloped areas and in conformity with the principle that each requesting Government shall be expected to assume responsibility, as far as possible, for all or a considerable part of the expenses connected with the assistance furnished to it, either by making a contribution in cash, or by providing staff, services, and payment of local costs.'

The policy pattern is thus clear; care must be taken that the programme never represents an interference in the internal affairs of a

[1] ECOSOC Resolutions 522J(XVII) of July 1953 and 504J(XVI) of June 1952.

sovereign State. Hence the request for services under the programme must come from the Government of the country concerned, and not from the U.N. Secretariat. The aim is a sharing of responsibility for the programme between the United Nations and the receiving State, and there is to be dovetailing with other existing forms of technical assistance.

Administratively, the programme has a separate existence of its own, and is neither part of the ordinary technical aid programme nor of ETAP. The need for flexibility is great, and arrangements have been made whereby the Secretary-General is not required to make rigid budgetary allowances for work in this field.

The question of which human rights should be covered by the programme has given rise to some controversy. General Assembly Resolution 839(X) decreed that assistance should be made available to:

> any subject in the field of human rights, in addition to the subjects covered by the relevant resolutions of the General Assembly, provided however that the subject shall be one for which adequate assistance is not available through a Specialized Agency and which does not fall within the scope of existing technical assistance programmes.

This wording conceals an acrimonious dispute over whether it was preferable to list topics eligible for aid under this programme. A draft list had included criminal and civil law procedures, rights of women, freedom of information, abolition of slavery, and the protection of minorities. The Communist bloc, which has consistently urged the usefulness of lists, was in favour of this approach, but contended that there were vital omissions from the draft. These included protection against racial hostility, the rights of peoples to self-determination (including sovereignty over their natural wealth and resources), direct and universal suffrage, and the right to social insurance, medical aid, and education. It need hardly be pointed out that most of these subjects are very controversial and would, if adopted, give rise to questions of priority. They were rejected by the United States as being of merely propaganda value, and the more general, flexible formula cited above was adopted instead.

Experience gained from other programmes of technical assistance has led to the decision that advisory services in human rights should comprise the following forms of assistance: (i) expert advice, (ii) fellowships for the study of subjects in the field of human rights, and (iii) international seminars. The U.N. Specialized Agencies have given valuable help in the form of information and comments, but several of them have shown a clear desire to avoid involvement in a programme with such controversial political overtones as those arising from 'human rights'. This is especially true of the more technical agencies. Thus the Secretary-General of the International Telecommunications Union has stated: 'In view of the technical character of the work of the ITU, I do not see the possibility of activities, either in the field of technical assistance or elsewhere, direct-

ly related to the promotion of human rights.'[1] Yet it may be observed that Article 19 of the Declaration of Human Rights, which is concerned with the right of access to information media, would undoubtedly seem to fall within the field of activity of ITU. The Universal Postal Union has reacted in much the same way; it refused to send a report on its work for the years 1954–6, insisting that there was no role it could play in the new programme.[2]

Other agencies, however, have been more co-operative. The International Labour Organization and the Food and Agriculture Organization have shown a keen desire to participate, and the work of UNESCO in similar fields and by similar methods has also proved a valuable guideline. Under the UNESCO programme it was already possible for a member State to request a mission of experts to help implement the rights of women, and fellowships were also available. A regional seminar was organized in Delhi in 1952–3 on the contribution of the social sciences to the study of the status of women, and in 1953 and 1954 studies of social factors which facilitate or retard access of women to education were carried out in Japan, Mexico, and Pakistan. In 1956 a pilot experiment for the political education of women was undertaken in three Asian countries. UNESCO has assisted the Libyan Government in establishing a national broadcasting company and the Costa Rican Government in setting up a television service. By the time the U.N. advisory services programme started, over seventeen countries had used UNESCO facilities for improving their information services; conferences and exhibitions had helped to distribute educational materials; and in 1953 UNESCO had organized a seminar in Italy on the use of films and visual aids in education. At the end of 1961, in co-ordination with U.N. efforts in human rights, UNESCO held a successful conference in Bangkok on the development of news agencies in Asia and the Far East; and in early 1962 a similar meeting was convened for Africa.

When the U.N. advisory services programme began, UNESCO prophesied that the holding of seminars would be found to be the most satisfactory form of assistance in the long run. So far, the prophecy has been proved correct.

The second part of this article, describing the programme in action, will appear in the May issue of THE WORLD TODAY.

[1] U.N. Doc. E/2854. [2] U.N. Doc. E/CN.4/758.

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Note of the month

Multinationalism versus multilateralism: the Ottawa meeting of NATO

THE meetings of the Foreign and Defence Ministers of NATO which are due to begin in Ottawa on 22 May will be mainly concerned with the various proposals, which have been made, adapted, adopted, and clarified since last December's meeting in Paris, for welding the alliance's nuclear armoury into either a multinational or a multilateral force.

Latest reports indicate that more time will be spent on discussing the multinational concept, of forces assigned to NATO but able to revert to national command and national roles, than to the multilateral idea. In the words of Mr Thomas Finletter, the U.S. permanent representative on the NATO Council, the multilateral idea presupposes a NATO, not a national, sovereignty; the multilateral force would therefore respond only to the alliance's orders and commitments, and would fulfil no national role whatsoever.

It has also been said recently, with more speculation than evidence, that the result of the talks in London and Paris on 10 and 11 April represents a diplomatic victory for Britain. These talks were held between the U.S. Defence Secretary, Mr Robert McNamara, and the British Minister of Defence, Mr Peter Thorneycroft, and in Paris between the British Foreign Secretary, Lord Home, and the U.S. Secretary of State, Mr Dean Rusk.

British Ministers have, for some time, been openly urging that the multinational force be created as quickly as possible, since its physical components exist already in the shape of British and U.S. independent nuclear forces in NATO commands, and forces of nuclear capability, with warheads under U.S. control, provided by the German and French Air Forces. This pragmatic fusing of nuclear forces under a deputy to the Supreme Allied Commander has long been favoured by the Americans as a preliminary to the multilateral force, as a useful means of distinguishing conventional from nuclear units, and as a possible disincentive to the further development of purely national nuclear capabilities. But it is no secret that the British Government's advocacy of the multinational force stems from its belief in the necessity for British units, which may be assigned to NATO roles, to revert to purely national com-

mitments should these appear to be more important to Britain's security than the interests of the alliance as a whole.

Further somewhat inspired accounts, therefore, since the April meetings have suggested that Mr Rusk and Mr McNamara have conceded that the multilateral idea is politically impractical and strategically ineffectual. This criticism has certainly been sharpened by a proposal which the U.S. Administration itself advanced (through its 'negotiator', Mr Livingstone Merchant, who spent much of March and April diligently visiting the capitals of the NATO Powers), namely, that the European members of NATO should man surface ships armed with medium- and long-range missiles, whilst the U.S. Navy would provide the entire submarine element.

This rather cock-eyed scheme, plus its corollary of mixed crews from various NATO countries to man the ships, has certainly weakened the U.S. case for the multilateral force. It is much too soon to assume, however, that the idea as such has been abandoned. An even more speculative notion, that President de Gaulle has agreed at last to co-operate with the United States in nuclear matters, should also be treated with great caution.

This rumour stems from three sources: first, the theory that, although de Gaulle rejects U.S. control over NATO's nuclear weapons and is contemptuous of the Nassau agreement, whereby Britain's nominal independence as a nuclear Power is, in effect, now subjected to U.S. decisions and the provision of weapons, he is nevertheless anxious not to isolate himself entirely from contact with the United States and Britain, nor to alienate his European neighbours in the process. Secondly, it is said that the French nuclear programme, for producing an independent force of strike aircraft by 1965 and a sea-borne missile force by 1970, is well behind schedule and has trebled in cost.[1] If this is so, President de Gaulle might co-operate in the multinational force, and even subsequently accept the validity of 'indivisible' NATO strategies in return for U.S. technological help with his *force de frappe*. Thirdly, much play has been made with the news that some French Air Force units are armed with nuclear weapons, albeit under U.S. control.

For the record, however, it must be pointed out that French officials, although expressing some interest in the multinational idea (which is, in any case, seen as a revival of de Gaulle's proposal of 1958 for a French–British–U.S. nuclear directorate), have been consistently hostile to anything which suggests that the United States is the nuclear arbiter of NATO. 'French denial of pledge to U.S.' and 'France resists U.S. views on NATO Force' were but two of the headlines in authoritative papers during the April talks in Paris. The question whether de Gaulle is worried about an actual or potential isolation from his neighbours in the

[1] See 'The French Nuclear Striking Force', in *The World Today*, August 1962.

European Community, as well as from the United States and Britain, must turn on the value he puts on the Franco-German treaty, and also on his assessment of the degree to which the Federal German Government will resist or succumb to U.S. arguments about the dangers of an inward-looking Europe instead of an outward-looking Atlantic community. It is still an open question as to what de Gaulle thinks or whether he will unbend.

French sources also deny that their nuclear programme is running into difficulties, though an increase in costs, particularly of the gaseous diffusion plant at Pierrelatte in the Rhône Valley, is admitted. Since arms programmes rarely go according to schedule, it is probably fair to assume that the French are in trouble; and, since their planned armoury is already obsolete by U.S. and Soviet standards, it can also be supposed that a considerable debate is going on within the French political and military hierarchy about the value of the whole notion of an independent nuclear force.

But this does not mean that the French are yet ready to sue for U.S. help in return for accepting U.S. control. De Gaulle's speech on television on 19 April reaffirmed the necessity of French nuclear independence in completely unequivocal terms. The fact that some French Air Force units have U.S. weapons is neither new nor significant.

The truth of the matter is that there is still everything to play for at Ottawa. The U.S. Administration has suffered a setback in its plea and plans for nuclear forces, whose cohesion would match the Soviet capability, but this does not mean that President Kennedy and his team despair of eventual success. They have criticized independence in nuclear strategy too often in the last eighteen months for this policy to be lightly abandoned.

ANTHONY VERRIER

Algeria, the taste of independence

NEVILL BARBOUR

On 1 July 1962 the Algerian people cast an overwhelming vote in favour of 'independence in collaboration with France'. Three days later the arrival in Algiers of the GPRA, or the Provisional Government of the Republic of Algeria, gave the signal for three days and nights of wild rejoicing. The fact that two of the principal Ministers, Ahmed Ben Bella and Mohammed Khider, had not arrived with the others was for the moment little more than a cloud on a distant horizon. There followed the long interregnum and a political crisis during which the cloud brought a tempest, leaving behind it a deplorable trail of damage.[1] Nevertheless, when finally the first Government of Algeria had been formed and a month later, on 1 November, officially celebrated the eighth anniversary of the national rising, the demonstrations in Algiers were hardly less ecstatic.

The feeling of relief at the establishment of peace, of pride that Algeria has won independence, of satisfaction that they are at last masters of their own destiny, remains the basic sentiment of all Muslim Algerians. It is easy for the foreigner to overlook the sufferings which the Algerian people endured year after year, but they themselves will not soon forget the unnumbered dead (certainly running into hundreds of thousands), the 'regroupment' of 2 million villagers, the 300,000 refugees, the imprisonments and the torture from which hardly any Muslim family was entirely exempt. If today Europeans feel insecure, the Muslims on the contrary are still thinking how wonderful it is to feel safe, to go to bed with the certainty that one will not be arrested before morning and, in the case of the women, to feel sure that the breadwinner of the family will still be there tomorrow and not have vanished to an unknown destination. Only bearing the intensity of this sentiment in mind is it possible to see in proper perspective the disappointments, the disillusionment, and the difficulties of the present moment.

There is no doubt at all that disillusionment and difficulties exist. The divisions in the direction of the National Libèration Front were a great blow. They meant that a certain number of the very limited *élite* suitable

[1] See 'The Struggle for Power in Algeria', in *The World Today*, October 1962.

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for office remained unemployed, and that a few nationalists even preferred to stay abroad. The difficulties which Governments in exile encounter when they wish to establish themselves in their liberated homelands were very apparent at the end of the second World War. In the Algerian case, many of the Ministers had held their appointments in theory only; having been held prisoners in France for nearly five years, their reintegration was bound to be difficult. Outside Algeria there existed a regular army; inside, the six *Wilayas* into which the country was divided were virtually autonomous, possessing irregular troops and a rudimentary administration of their own. Colonel Houari Boumedienne, Chief of Staff, held that the army should march in at once and put a prompt end to the particularism of the *Wilayas*; the GPRA preferred to temporize. Mohammed Khider sided with the General Staff; after a few days Ahmed Ben Bella did the same. The result was a period of near anarchy during which neither method had a chance.

Flight of the Europeans

Apart from this, the nature of the 132 years of French rule and the manner in which General de Gaulle arranged the final surrender had the effect of bringing about, when the crash came, the panic flight of 80 per cent of the Algerian Europeans, about 800,000 persons. These included the people who had held in their hands the overwhelming majority of key positions in industrial, economic, and social life, most of the managerial class as well as the majority of foremen and supervisors, and the greater part of the skilled workmen. The Evian agreements were intended by the French negotiators to ensure the maintenance of the dominant economic position of this group while political power was transferred into the hands of the submerged nine-tenths of the population. The project was chimerical and the traditional attitude of the two sides made it entirely impracticable. Thus the flight of the Europeans solved for the new rulers an apparently insoluble problem, but the surgical operation which it involved left the country for the moment half paralysed.

The disappearance of the Europeans left a gap in some places and caused a transference of inhabitants in others. In Oran the centre of the city maintains a certain bustle, particularly in the early evening when the French sailors emerge from the naval base at Mers el Kebir; and one popular quarter, St Eugène, has for some reason kept its European inhabitants. In much of the town, however, one can walk long distances past shuttered shops, some with notices posted up to say that they are closed for the paid holidays and will reopen on 1 September, others with posters stating that the building is vacant property under the protection of the Government. In the docks, activity is much below normal; and, of the ships coming in, many were chartered to remove vans filled with furniture which the refugees were not able to take with them at the time

of their flight. Between Oran and Arzew the former prosperous little villages appear almost completely abandoned by their European inhabitants; one or two shops and cafés do a limited business under Muslim management. At Arzew itself a site is being prepared for the erection of the works at which the natural gas from the Sahara is to be liquefied for transport by tanker to Great Britain and elsewhere.

In Algiers the visitor is more struck by the transference of population. The Rue d'Isly (with a new, Arab, name) is as crowded as ever, but with Muslims instead of Europeans. Elsewhere in the city the arrival of a diplomatic corps and the activity of a capital city help to preserve the former aspect. Farther east, Bougie retains its charm but only about a tenth of its former European population. Philippeville, notorious for the reprisals in the stadium after the massacre of Europeans at the el Halia mines in August 1955, has preserved little European influence apart from its buildings. In Constantine, always a predominantly Muslim city, civilian Europeans are not apparent at all.

One effect of 132 years of foreign rule and colonization was the creation of a vast Muslim proletariat, that is, of a mass of agricultural and industrial workers who lived off wages, when they were able to earn any, but who were frequently underemployed. Formerly hidden away from the European visitor's eyes in crowded slums or shanty-towns, they have now, to some extent, taken possession of the town centres—in the early days of independence, at least, largely by the process of 'auto-installation'. In consequence one sometimes gets the impression of living in circumstances similar to those which prevailed in Russia in 1918. The elegance of a dominant minority has suddenly ceased to conceal the poverty and misery which it previously obscured.

Shortage of revenue and of trained personnel

In another sense, however, the 800,000 departed Europeans were the geese who, from the point of view of the State, laid the golden eggs. During 1962 most taxes were simply not collected, and not more than a third of the usual revenue for that year is ever likely to be recovered. Nor are those who have left the country going to return to pay taxes either for previous or for future periods. The expenses of administration during 1962 were met by the French Government to the extent of £700,000 daily; henceforth the Government of Algeria will be responsible. Budget estimates from 1 January were prepared for a four-month period only. The existing system of taxation was provisionally maintained with a rise in the rate in most cases and a new tax was imposed on the export of wine; of the revenue then estimated, only 60 per cent has since been forthcoming. Austerity is to be the keyword, and there is to be a progressive surtax on salaries. Against all this, on the credit side, movement about the country is not difficult; the cost of living is no higher than else-

where; and public utilities such as rail and bus services and the electricity supply are quite well maintained.

Everywhere the cry is for trained personnel, from highly skilled workers down to clerks, typists, or telephone operators. Firms of exporters which previously had eight clerical staff may find themselves reduced to two who are themselves preparing to leave. In consequence, their activities are, for the time being, reduced to a minimum.

The position is critical in the medical services also. The 300-bed hospital in Tlemsen, at which three French doctors remain, is kept running by a group of twenty-one Bulgarian doctors and personnel. Elsewhere, Bulgarian doctors working individually are reported to have been less successful, owing to difficulties of language and unfamiliar methods. The 90,000 inhabitants of the beautiful but poverty-stricken Collo peninsula are served by one German doctor and nurse sent by the German Federal Government with a mobile clinic. In one of the larger villages or, rather, regroupment centres, in the same region, a keen but untrained young Algerian hospital attendant does his best to operate a hut, serving as a clinic, which was left behind by the French army. For expert advice he is assisted once a week by an English nurse, working with a Quaker unit which also supplies medicines and such necessary, but scarce, commodities as soap, the latter in the form of once-used pieces collected from American motels. The same Quaker unit, previously working with Algerian refugees in Tunisia, has set up a system in the same area for the distribution of powdered milk to needy children. In warding off starvation, the greatest part has been played by the Americans to whom M. Ben Bella finally paid a well-deserved and much overdue tribute. According to official figures, American wheat, given free and distributed to the Algerian authorities by the International Red Cross, helps to feed no less than 4,600,000 Algerians.

In the technical and administrative field the greatest help comes of course from the French, now in an advisory instead of a directing capacity. It is indeed remarkable to see how easy and friendly Franco-Algerian relations are in some respects. This is particularly noticeable in education where there are no less than 10,000 French teachers, 7,500 of whom have remained on while another 2,500 have come since independence. Many of these are working in remote areas, such as the Collo peninsula, without any amenities, in living conditions which call for a high sense of mission, even if the bonus from the French Government makes the proposition financially satisfactory.

The shortage of trained personnel in all fields, except perhaps the legal, is accompanied by an appalling excess of unskilled labour and consequent unemployment. This is the great problem for the mass of the Algerian people. Already frightening in extent when the fighting began in 1954, unemployment was then for some time reduced by the enormous

French expenditure on the war effort and on the Constantine Plan, and by enrolments on both sides for military service. With the cessation of fighting, it immediately assumed terrifying proportions.

Thus the first Government of independent Algeria was faced with pressing problems in the field of security, revenue, the provision of administrative and other staff, and employment. The President of the Council, Ahmed Ben Bella, is undoubtedly the figure who commands most general support in the country, while the next most important members of the Government are the Minister of Defence, Colonel Boumedienne, and Mohammed Khider, an older man, who has been Secretary-General of the only permitted party, the National Liberation Front (FLN).

In spite of prognostications to the contrary, this triumvirate seemed to work well until April 1963. M. Ben Bella then made it clear that he was unwilling to allow the Party the position of influence *vis-à-vis* the Government which M. Khider desired it to have. In particular, he was opposed to the Party holding a National Congress before the mandates of the National Assembly and the Government had been renewed, as the political settlement of October 1962 had stipulated, one year after the Government assumed office.[1] On 17 April M. Khider announced that he was resigning the position of Secretary-General of the Party, though still remaining a member of the political bureau; the post of Secretary-General was announced as being added to M. Ben Bella's other functions.

It was a cruel blow that added, in the middle of this crisis, the seemingly lunatic attack on Mohammed Khemisti, the young Foreign Minister, who had given proof of balance and dependability.

The Government's policy

The Government's policy appears to have been broadly based on the programme drawn up by the GPRA Congress in Tripoli in the spring of 1962. The first part of this wordy document is devoted to criticism of the Evian agreements as designed to perpetuate a 'neo-colonialist' French predominance. Such validity as this thesis possessed has of course disappeared with the disappearance of 80 per cent of the European population; those who remain are an asset without being a political threat. The positive aspect of the programme is the injunction to carry out a socialist revolution, an ideal which has been emphasized by the inclusion of the words 'democratic and popular' as part of the official designation of the Algerian Republic. The injunction does not imply a dictatorship of the proletariat; and it specifically rejects the cult of personality, that is to say any personal dictatorship. It does, however, mean that the interests of the

[1] The National Assembly consists of 196 members, elected by geographical constituencies; this includes sixteen Europeans (representing the now largely vanished minority) and thirteen women. Its debates have been marked by considerable freedom of criticism.

masses are to take precedence over those of the bourgeoisie, who in fact mainly compose the Government. Land reform is to take the form of the development of properties, abandoned by the colonists, not into individual holdings but into State farms run by committees of management elected by the workers. The same system is to be applied to industry.

Secondly, the State is to foster a national culture, with a revival of Arab tradition. Thirdly, the State is to be 'scientific' in outlook. This implies that Islam will be the State religion and the background of individual culture and personality, but it is not to be allowed to block progress in the name of religious obscurantism. A brief paragraph in the programme emphasizes the contribution of women to the revolution and envisages a radical amelioration of their status. In foreign policy the State is to adopt an independent line, while co-operating with the anti-imperialist front.

In implementing this programme, the Government had first to deal with three matters long overdue for consideration: the restoration of order, the organization of the autumn ploughing, and the opening of the school year. In his address to the National Assembly during a full-dress debate at the beginning of December last year, M. Ben Bella claimed that security was now such that the traveller could proceed safely from one end of the country to the other, that 70 per cent of the ploughing had been carried out, and that 70 per cent of the school population of the previous year, and in secondary education a higher percentage, had been accommodated. He announced that the university was due to reopen with 2,500 Muslim students (some returned from foreign universities) as opposed to the 600, who had formed a mere 10 per cent of the whole before independence.

Unemployment remains a severe problem; in the building trade, for example, only 15,000 were employed at the end of 1962 as opposed to 120,000 previously. The administration of the country, planned for quite different circumstances, needs to be cut to fit the needs of the new Algeria and M. Ben Bella announced that the fifteen departments were to be reduced to nine, and the 3,000 communes cut down proportionately.

Reorganization of the economy

The reorganization of the economy is going ahead. Committees of management have been appointed for some factories and State farms and to supervise the property left vacant by the Europeans. After some months this property was declared to be under Government protection; it could not be sold, though it might be requisitioned without rent. On 22 March 1963, however, a decree was published declaring all property, agricultural and industrial, owned by Europeans who were still absentee landlords to be henceforth handed over 'definitely' and 'without redress' to the workers' management committees. On the same day an office was

set up to carry out the promised policy of land reform and particularly to take over the administration of the abandoned farms. By decrees of 22 and 28 March the main lines of the organization of the committees of management and of their financial regulation were laid down. The establishment of a national fund for investment to enable peasants from the poorer areas to borrow money derived from the cultivation of the richer coastal belts was also announced on 24 March.

In a speech over the national radio and television network on 29 March, M. Ben Bella pointed out that the arrangements made by the decrees of 22 October and 23 November 1962 concerning the vacated European properties had only ratified an existing state of affairs and had left open to the Europeans the possibility of returning to Algeria. The new decree of 22 March establishes that properties still vacant on that date are now to be described as workers' and farmers' collectives with the workers in control of all stages of production; he estimated that 2½ million acres of the best farm land in the country and about 500 industrial enterprises and firms were involved.

Certain large properties, such as that of the famous *gros colon*, M. Borgeaud, were also seized, though not 'vacant', without the amount of compensation being fixed beforehand. The French Government has protested against the unilateral nationalization of the vacant properties as a contravention of the Evian agreements, which provided for the agreement of both the French and Algerian Governments in cases of transferred ownership.

In his December speech in the National Assembly debate, M. Ben Bella described Algeria as a country 'in full convalescence'. This is over-optimistic, but on the whole there has been an improvement in the general situation. Trade with France has revived to a considerable extent. Algeria has a long and difficult path to tread, however, and will have to look for aid wherever she can find it. A visit to Paris by the Foreign Minister before Christmas produced a fairly encouraging statement from him about the prospects of aid from France. His visit was followed by one from the Minister of Labour, who agreed to meet the French demand for modification of the Evian agreements, in order to restrict the flow of Algerian workers to France which had greatly increased during the previous summer. Meanwhile, Mohammed Khider made a tour of the Middle East to solicit aid from such potential benefactors as the Sheikh of Kuwait.

Foreign policy

Sheer necessity imposes on the Algerian people a realistic approach to world affairs and prohibits any attempt on their part to give practical expression to emotional sympathies for such alleged victims of imperialism as Fidel Castro or the nationalists of Angola. There are indications

that M. Ben Bella, in spite of periodic hasty utterances, possesses a statesmanlike appreciation of the realities of political life, international as well as national. Speaking of the banning of the Communist Party of Algeria which was officially announced on 29 November 1962, M. Ben Bella stated, in the Assembly debate the following month on the Government's policy, that he was neither pro-Communist nor anti-Communist, but that he was convinced that Algeria could not afford a multiplicity of parties. He was certainly justified in appealing, after three months in power, for sympathy and understanding on the ground that 'today a State exists and an authority has been constituted at the centre of a nation which is struggling to take shape.'[1]

Internally, however, for a long time there must be an acute conflict between the desire of the Government to demonstrate that it is 'progressive and socialist' and the absolute need not to break with those of the Western Powers who are in a position to give Algeria aid. This means in the first place France, partly because of the French knowledge of Algerian conditions and partly because the use of the French language is almost a necessity for working in Algeria. Thus while the Government welcomes the suggestion that Algeria is a partner and associate of the other 'liberated' Arab countries—the U.A.R., Syria, Iraq, and the Yemen—she is in no position to give practical reality to the association to an extent which would imperil her relations with the West.

It could perhaps be said that relations between France and Algeria are certain to be subject to periodic strain. However, Algerian anxiety for the continuation of French aid matches French anxiety for continued co-operation in the oil industry. This situation, though presenting many problems, is likely to prevent a complete breakdown.

The Algerian dilemma was made very clear at the time of the French atomic explosion in the Hoggar in March. M. Ben Bella's Government had to content itself with a much milder protest than it would have been likely to make if internal conditions had permitted a greater liberty of action. On the other hand the indignation aroused by the explosion was cleverly utilized to provide moral justification for seizing the several large French properties which might otherwise have been left undisturbed at least for a considerable time longer.

In relations with the other North African States, the claims of Maghrib solidarity (and, in the case of Morocco, a genuine admiration for King Hassan's diplomatic gifts) limit the tendency to express resentment against President Bourguiba for his occasional unwelcome home-truths in the past about Algerian policy and leaders, and against the extent of Tunisian and Moroccan commitments to the United States and to France. If Algeria is to retain her prestige and in due course exercise a leading role in North Africa, she cannot afford to ride rough-shod over

[1] *L'Express*, 27 December 1962.

her Maghrib partners. At the most, she will go on digging her toes in and making it quite clear that she will reject any suggestions for a transfer of sovereignty over Tindouf to Morocco in the west or for a minor transference of territory to Tunisia in the east. She seems indeed to be unwilling even to consider Moroccan proposals for a joint exploitation of the vast iron-ore deposits at Gara Djebeilat, in what was undoubtedly always known as the Moroccan Sahara, until the French annexed it administratively to Algeria some twenty-five years ago.

Outlook for the future

Independence has come to Algeria in conditions more resembling those of Russia in 1918 or of Germany in 1946 than those of the easy arm-chair take-over in Morocco or Tunisia. The administrative cadres of the FLN itself were so destroyed by the years of French military suppression that the party is unable to play the essential part in the first stages of independence which was played by the Istiqlal in Morocco and by the neo-Destour in Tunisia. The fierceness of Algerian resistance to the French conquest from 1830 to 1847 and the stubbornness of the people in the struggle for independence from 1954 to 1962 have given proof of a toughness which has been displayed in modern times by no other Arab people except the Rifis under Abdelkrim. No doubt the transformation of Algerian society will be more radical than was that of the two sister Maghrib States in the years following their independence. Algerians are likely to prove much more intolerant of incompetence in their rulers than their more easy-going neighbours. To one accustomed to the indifference of Moroccans and Tunisians with regard to administrative shortcomings, it is startling to hear from a casual acquaintance of the Algerian working class that the Government is on a year's trial and will have to make way for another if it does not produce results. M. Ben Bella's summary dismissal of unsatisfactory officials during his tours of the country in January was also an innovation in the recent history of North Africa.

It is still far too early to predict what the outcome in Algeria will be. There certainly will be an effort to produce a socialist State which is not Communist; and there will certainly be an effort to reintegrate the country into the Arab world. This has been symbolized by the immediate introduction into the primary schools of seven hours a week devoted to the study of Arabic and by the engagement of Egyptian and Syrian teachers. The successful continuation of the oil operations in the Sahara is an indication that these developments will not be incompatible with co-operation with the West. The healthy respect which Algeria's Arab neighbours already show for the new State, in spite of its temporary disorganization, shows that they, at any rate, believe in its potentialities—and they are presumably the people best qualified to judge.

Militarism in Latin America: a threat to the Alliance for Progress

EDWIN LIEUWEN

A HARD look at the realities of the deep-seated social crisis that exists in Latin America makes it apparent that the threat of new Cuba-type revolutions, led by Castro-like leaders, and susceptible to exploitation by the Communists, is present in many countries today. Indeed, unless the Alliance for Progress programme can become a more effective instrument for implementing social change than has been the case over the past two years, it is quite possible that other violent social upheavals will occur. The object of this article is to analyse one of the most important, yet largely neglected, aspects of the whole Latin American socio-political problem—namely, the age-old curse of militarism, and the role which the armed forces have been playing in many Latin American countries over the past two years.

The hopes of the whole Western hemisphere were raised on 13 March 1961, when President Kennedy proposed at a White House reception for Latin American diplomats an '*Alianza para el Progreso*—a vast co-operative effort, unparalleled in magnitude and nobility of purpose to satisfy the basic needs of the American people'. As subsequently elaborated, this ambitious programme calls for $20,000 million in U.S. public and private investment in Latin America during the 1960s, designed to eliminate hunger, to provide education for all, and to raise the living standards of every American family south of the Rio Grande.[1]

Associated with this bold new programme of large-scale U.S. aid is a requirement that 'political freedom must accompany material progress'. 'Our Alliance for Progress . . . must work to eliminate tyranny,' said the President, and he added that the economic and political progress 'must be accompanied by social change'. The emphasis upon 'democratic progress' sprang from a conviction that social change should come by peaceful evolution rather than violent revolution, and that only political freedom was needed to break down the social barriers which had hitherto

[1] See 'The First Year of the Alliance for Progress', in *The World Today*, October 1962.

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blocked economic progress in Latin America. Accordingly, the motto for the *Alianza* became '*progreso sí, tiranía no*'.

Until the middle of 1961, there appeared to be real grounds for belief that the evolutionary path was feasible; the power of the military, traditionally the chief impediment to political freedom, representative government, and constitutional processes seemed to be dying out. In 1954 twelve of the twenty Latin American republics were ruled by generals or colonels who had originally achieved the presidency by use of force, but by mid-1961 only one of these (General Alfredo Stroessner of Paraguay) remained. During this seven-year wave of anti-militarism, four of the uniformed presidents were eliminated by assassination (Colonel José Antonio Remón in Panama in 1955, General Anastasio Somoza in Nicaragua in 1956, Colonel Carlos Castillo Armas in Guatemala in 1957, and General Rafael Trujillo in the Dominican Republic in 1961); six were deposed by revolution (General Juan Perón in Argentina in 1955, Colonel Paul Magloire in Haiti in 1956, General Gustavo Rojas Pinilla in Colombia in 1957, General Marcos Pérez Jiménez in Venezuela in 1958, General Fulgencio Batista in Cuba in 1959, and Colonel José María Lemus in Ecuador in 1960); while in Peru, the election of a civilian opposition candidate brought an end to the political power of General Manuel Odría during 1956.

Recent wave of militarism

Over the past year and a half, however, a new wave of militarism has begun to sweep Latin America, and is now threatening to destroy the hopes of the Latin American people for a new and better way of life under the Alliance for Progress.

It began in Brazil with the resignation, on 25 August 1961, of President Janio Quadros.[1] He resigned in frustration with a conservative Congress which rendered him powerless to fulfil his campaign promises to carry out urgently needed reforms, and also because the military refused to permit any alteration of the Constitution to resolve the deadlock between the executive and legislative branches of the Government. Having got rid of President Quadros, however, the conservative generals were quite willing to do violence to the Constitution rather than accept the radical Jango Goulart, the duly elected Vice-President, as his successor. Goulart was permitted to assume office only after Brazil's traditional presidential system of government had been summarily changed, at the insistence of the armed forces, into a parliamentary system which rendered him even more powerless than Quadros had been.

Since then, the Brazilian Government has been even more ineffective than usual. The nation has drifted politically, its chronic fiscal and in-

[1] See 'Brazil: Democracy's Last Chance?', in *The World Today*, November 1962.

flationary problems have become worse, and little or no progress has been made towards the solution of its urgent social problems. Although the January 1963 plebiscite restored the presidential system, there seems little prospect that Brazil's armed forces will accede in the foreseeable future to any programme of truly fundamental social reform.

In Ecuador, on 7 November 1961, Army generals forced the resignation of President José María Velasco Ibarra, who had been unable to maintain public order in the face of growing labour-Leftist opposition to his ineffective Government.[1] As in Brazil, however, the conservative Army was unwilling to accept the radical Vice-President, Carlos Julio Arosemena, and it attempted to by-pass the Constitution and install the President of the Supreme Court in the presidential palace. Air Force planes attacked Army tanks and troops, however, and forced the Army at least to permit Arosemena to assume office. But it appears that over the past year or so the Army generals have convinced Arosemena that his programme for social reform is incompatible with his desire to continue in office. They forced him to abandon his neutralist stand and to break off diplomatic relations with Cuba at the beginning of April 1962, and they have saddled him with increasingly conservative Cabinet members. President Arosemena appears to have forgotten his promises to his former labour-Leftist supporters, and tax and land reforms, designed to alleviate the lot of the depressed Indian masses, are no longer live issues in his Government's programme.

The third recent instance of military intervention in violation of political freedoms and constitutional processes occurred in Argentina.[2] Here the generals and admirals simply refused to accept the gains made by the *peronista* Front in the congressional and gubernatorial elections held on 18 March 1962. Instead, they arrested President Arturo Frondizi and declared the elections null and void. The military intervened to take over the administration of all the provinces and Congress was dismissed. A moratorium was declared on political activity, and the military has since attempted to rule Argentina through puppet President José María Guido.

A sharp division on policy has developed, however, amongst the generals and admirals. The hard-line group, represented by the Navy and the infantry and engineering officers of the Army, insisted upon an indefinite continuation of military rule in order to prevent a return of the labour-Leftists to any positions of political influence. The more moderate element, represented by the Air Force and the cavalry officers of the Army, urged that constitutional processes be restored, albeit with the *peronist* element in a subordinate position. For nearly five months an un-

[1] See 'Ecuador's Politics: President Velasco's Fourth Exit', in *The World Today*, February 1962.

[2] See 'Conflicting Forces in Argentina', in *The World Today*, April 1962.

easy compromise prevailed between the two factions. In August 1962 th hard-liners, led by infantry General Federico Toranzo Montero, tem porarily got the upper hand and called off elections, but the followin month the moderates, led by cavalry General Juan Carlos Onganía, too power. On 2–3 April 1963 the hard-liners made another bold, but abor tive, attempt to seize control. At present plans are going forward fc elections and a return to constitutional government by late 1963. But th nation's already bad economic situation has very much deteriorated dur ing the intra- and inter-service struggle for control of the Governmen and inflation has become a more serious problem.

In both May and June 1962, Right-wing forces in the Venezuela Navy attempted to overthrow the popularly elected forward-lookin Government of President Rómulo Betancourt. A group of disgruntle admirals (known as the '*Rosca*' or 'ring') worked through their marin corps and in co-operation with the extreme Left. The uprising in May a Carúpano in eastern Venezuela was crushed by loyal elements of th Army and the rural population, and that at Puerto Cabello Navy base i June by the Air Force and the Army. Right-wing generals and admiral have continued, however, to threaten the Betancourt Government. I October, when the extreme Left tried to provoke a military *coup* by a ne wave of terrorism in the capital, the President countered by the arrest of number of senior officers suspected of plotting and by requesting th Supreme Court to outlaw the Communist Party.

In many ways the most blatant assault upon political freedom and con stitutional processes occurred in Peru on 18 July 1962.[1] On that date th armed forces ran a Sherman tank through the gates of the presidentia palace in Lima and imprisoned President Manuel Prado Ugarteche. Th presidential elections of 10 June were then declared null and void, in vie of the fact that Victor Raul Haya de la Torre, the leader of the *Alianz Popular Revolucionaria Americana* (APRA) party, which has always bee bitterly opposed by the armed forces, had received the largest number o votes.

Since then, Peru has been run by a junta of military 'Presidents'– General Manuel Pérez Godoy, who was the president of the junta unti his removal from office on 3 March, General Nicolás Lindley López (th head of the Army) who has now taken over the presidency of the junta Admiral Juan Francisco Torres (the Commander-in-Chief of the Navy) and General Pedro Vargas Prada (the head of the Air Force). This grou has quite obviously come to power to prevent a labour-Leftist evolutio in the Government, and although they pay lip service to reform and stil stand by their promise of elections in June this year, they actually repre sent a movement for the indefinite perpetuation of Peru's semi-feuda social structure.

[1] See 'Peru since the *Coup d'Etat*', in *The World Today*, February 1963.

The most recent Army overthrow of a constitutional Government occurred in Guatemala on 30 March 1963. On that date a clique of colonels, headed by Defence Minister Colonel Enrique Peralta Azurdia, arrested and exiled President Miguel Ydigoras Fuentes, suspended the Constitution, dissolved the Legislature, and proclaimed a ban on all political activity. This Army conspiracy apparently grew out of the ineptness and corruption that characterized the Ydigoras Government, and the *coup* itself was triggered off by the clandestine return to the country of reformist ex-President Juan Arévalo (1945–50) ostensibly to begin campaigning for the November 1963 elections.

On the face of it, this *coup* appeared to be another case of civilian democracy being sacrificed by the military in the name of anti-communism. Actually, however, the Guatemalan armed forces had been deep in politics ever since April 1962, when President Ydigoras, as the result of several months of popular demonstrations against his regime, appointed an all-military Cabinet to run the crisis-ridden country. Though the Ydigoras Government was right of Centre, the present regime represents the extreme Right. As in Peru, it appears determined, by means of force, to block both political change and social reform.

Significance of these developments

The question arises, why has the new wave of militarism swept over Brazil, Argentina, Peru, Venezuela, Guatemala, and Ecuador, and not the fourteen other Latin American republics? The reason lies in the fact that in these six countries there has been, ever since the second World War, an intense struggle between civilian and military rivals for political power. In all these countries the armed forces are in a state of transition from political to non-political bodies. Moreover, in each of them a serious social crisis exists. Each has felt the revolutionary stirrings of the present century, the demands from the masses for political, social, and economic emancipation, and the armed forces have been intimately involved in these demands for reform. They sided with the civilian reforming element during the last two years of the second World War, but after 1948 they began to withdraw from this movement. Their present intervention is clearly in opposition to political freedom, social change, or any kind of fundamental economic reform.

Although militarism is a severe problem in only six countries, these countries are of overwhelming importance for the future of the whole Latin American area: not only because they contain three-fifths of the entire Latin American population, over two-thirds of its land area, and the bulk of its natural resources, but also because in these countries the social crisis is most acute. They provide the principal battleground for the whole programme of the Alliance for Progress in the immediate future. If the military continue to block reform in these countries, the

threat of a violent social upheaval and a possible Communist take-ov will increase. It is noteworthy that Cuba, until Fidel Castro's victory i 1959, was included in this transitional group. The determination of tl Cuban armed forces to resist change and reform resulted in their con plete destruction and paved the way for an ultimate Communist victor

The problem of military versus civilian control is not a burning issı in Haiti, the Dominican Republic, Honduras, El Salvador, Nicaragu or Paraguay, simply because the armed forces have traditionally tende to dominate these backward little countries; civilian forces in these cour tries still have to develop the potential even to compete with, let alone control, the armed forces when political matters are in dispute.

Conversely, in six other countries (Mexico, Bolivia, Uruguay, Cosi Rica, Chile, and Colombia) the problem does not arise, because the arme forces in these countries are non-political institutions. In four of them tl basic issues of political freedom and social reform have largely been re solved, in Mexico and Bolivia by violent revolution, and in Costa Rica an Uruguay by peaceful evolution. Costa Rica has no army, and the arme forces in the other three States are firmly under the control of civilia government. In Chile and Colombia, where there are many social prol lems still to be solved, the armed forces, though not directly under th control of the civilian leaders, are autonomous bodies which generall eschew politics.

Fears of reform

Why, in the six transitional countries, have the armed forces suddenl re-entered the political arena? One key reason is Castro's Cuba. It is n accident that of the five Latin American nations that have not yet severe diplomatic relations with Cuba (Mexico, Bolivia, Uruguay, Chile, an Brazil), four have armed forces which are non-political. It is difficult t overestimate the fear the Castro revolution has stirred in the hearts of th officer corps in Argentina, Brazil, Ecuador, Peru, Venezuela, and Guate mala. The spectacle of Castro's utter destruction of Batista's armed force and his summary assassination of most of the senior military officers of th Batista regime (more than 600 of them) is viewed by them with horror an apprehension. They recall that Castro started out as a moderate reforme and that he surprised nearly everyone by the violence and extremism the characterized the immediate aftermath of his victory. As a result, th military now tend to regard any reform movement as a potential threat t their own lives and institutions.

Ironically, in this connection the Alliance for Progress itself has un wittingly helped to provoke the new wave of militarism. The U.S Government's public advocacy of social change in Latin America ha given new hope and encouragement to reformist elements; but the con servative military have a tendency to equate social reform with Com

munism. The definition of a 'Communist' accepted by a disturbingly large number of Latin American generals and admirals is today so broad that it includes many of the prominent political leaders who are regarded by Washington as most likely to resist Communism. Prominent amongst the list of men labelled 'Communist' by many high military officials are such genuine anti-Communists as Haya de la Torre, Arturo Frondizi, Rómulo Betancourt, Jango Goulart, and Juan Arévalo. This kind of mentality on the part of the military makes a mockery of the Alliance for Progress in Argentina, Brazil, Ecuador, Peru, and Guatemala today, and threatens to destroy it in Venezuela.

The generals and admirals are not, of course, acting autonomously. The Right-wing *élites* in these six countries, utterly opposed to the reforming objectives of the *Alianza*, have clearly played upon military fears in an effort to save their own skins. In Argentina, for example, it is no secret that prominent generals have close social ties with business leaders and that retired admirals frequently move into top positions in industrial corporations. Similarly in Peru it is significant that 'President' General Lindley is married to a Miro Quesada (one of the wealthiest families in Lima) and 'President' Admiral Torres is a brother of a prominent Lima business man. In addition the extreme Left, particularly the Communists, have encouraged the military, as can be seen from the co-operation between the Communists and the admirals in the May and June attempts to bring down the Betancourt regime in Venezuela, and the demands in Peru by the defeated candidate, Fernando Belaunde Terry and his Communist backers, that the generals should intervene to prevent Haya de la Torre from assuming the Presidency.

The Communists want to destroy the democratic reform movements not only because they are anxious to ruin the Alliance for Progress but also because they see in military dictatorship their best hope for an ultimate Communist victory. The recent lesson of Cuba has not been lost on them. Although extremist forces on the Right and on the Left both hope to gain from the new militarism, it is clear that, even if the Right might be the immediate beneficiary from military holding actions, the Communists are more likely to gain in the end.

What is certain is that in either case the armed forces will be the losers. As they continue to intervene politically in obvious violation of the will of the people, as they continue to attempt to hold back the relentless pressures for social reform, civilian antagonism against them is bound to grow to a point where their own institutions will be in increasing jeopardy. It is ironic that the methods being used by the generals and admirals today to prevent their countries from going 'the Cuban way' are precisely those which increase the danger that 'the Cuban way' might ultimately prevail.

Will Spain's Development Plan succeed?

RICHARD COMYNS CARR

SPAIN'S application for association with the Common Market, made on 9 February 1962, was discussed by the Council of the E.E.C. last December and was due to come up for consideration in January this year. It has now been deferred indefinitely. Treatment of the Spanish case was known to depend on the decision regarding Britain, and the Spanish Government does not seem to be perturbed by the present turn of events. Had Britain and the members of the European Free Trade Association been admitted to the E.E.C. and Spain excluded, the position would have been more serious, particularly since Britain is an important customer of Spain and takes more of her basic exports, agricultural products, than any other one country.

While Britain and the E.F.T.A. countries remain outside the E.E.C., however, there is some sort of equilibrium, allowing Spain room for manœuvre in her foreign trade. The tariff reductions within the Common Market create a problem, however, for the greater part of Spain's exports go to the E.E.C. area, and the reductions will mean, for example, that Italian agricultural produce will enter Germany with a 50 per cent advantage over produce from Spain. It is therefore possible that Spain will consider imposing discriminatory duties on imports from the Common Market countries in order to subsidize her exporters.

Nevertheless, the present situation has its advantages. Spain was never prepared to compete on equal terms in the Common Market. Rather than see herself excluded from Europe she sought association with the E.E.C. on similar terms to the arrangement made with Greece. This would have brought her concessions without binding her to make equivalent concessions immediately. Even so, however, some of her industries would have had a severe struggle. Señor Ullastres, the Minister of Commerce, had declared that, although Spain wanted integration with Europe, she would not accept it 'at any price and at any pace!'[1] She now has a breathing-space, therefore, in which to consolidate the economic reforms initiated in 1959 and to implement the Development Plan that is to expand her industry and strengthen the whole economic structure of the country.

[1] Speech delivered in the December 1962 session of the Cortes.

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The Stabilization Plan

Spain's new economic policy dates from the announcement, in July 1959, of the Stabilization Plan, the immediate object of which was to cut short the galloping inflation, to stabilize the peseta, and to provide a way out from the otherwise hopeless foreign exchange situation which, if it had continued, would have made it impossible for her to import even her barest necessities. The Plan was drawn up on the advice of foreign experts and its implementation was made the condition of the provision of the foreign funds needed to support stabilization—a total of $420 million, nearly half of which was provided by the U.S. Government and private banks and the rest by the International Monetary Fund and the Organization for European Economic Co-operation. Both the two last agencies had sent investigating teams to Spain in the months before the Plan was adopted and they have continued since then to keep a watch on its progress and to advise on future policy.

The ultimate aim of the Stabilization Plan, as of similar plans adopted by other countries, was, in the words of an O.E.E.C. report, to ensure a 'sound and lasting economic expansion', with increased production and a higher standard of living. The first purpose, however, was a cleaning-up of the economy to put it in a sound state—by restricting government spending and borrowing and bank loans and credits, while at the same time abolishing price controls and freeing foreign trade from the quotas, official interventions, and multiple exchange rates that had been a feature of the previous decade.

In terms of stabilization, the Plan was an immediate success. By the end of 1959 there was a favourable balance of payments of $86 million, compared with a deficit of $50 million for 1958. The peseta, at the new rate, became a firm currency. Exports rose and internal prices fell and were held practically stable for the next two years. The Plan was, however, strongly deflationary and its effect on Spanish business was severe after years of rising prices, shortages, and speculative enterprise based on government permits and trading in the black market. Many firms suffered losses or went out of business, unemployment rose sharply, and workers' earnings from incentive payments, on which they had mainly depended in view of the low basic wage, disappeared; the public, apprehensive for the future, stopped buying and internal trade was paralysed.

Before plans for expanding the economy on a long-term basis could be introduced, trade and industry had to be restored to normal. 'Re-activization', as it was called, first became clearly apparent in 1961 and today it can be said to be an established fact.[1] In January 1962 the Spanish Government set up a central planning agency and appointed Señor Lopez Rodó as Commissioner for Economic Development. But before drawing

[1] See 'The Economic Background of the Spanish Situation' and 'Spain's Economic Situation', in *The World Today*, September 1960 and May 1962.

up the full Development Plan, it awaited the reports of the O.E.C.D. (successor to O.E.E.C.) and a mission of the World Bank. These were published in July and October of last year and Señor Lopez Rodó has stated that the Plan, which will be staged in four-year periods, will come into force at the beginning of 1964. The directives for the first period are expected to be published in the early summer.

The O.E.C.D. and World Bank reports

The reports of the O.E.C.D. and the World Bank largely agree in their conclusions. They find that, although great progress has been made since the Stabilization Plan, much still remains to be done to liberalize the economy—by removing controls on foreign trade (and lowering the present high tariffs) and removing restrictions on production, new industrial enterprises, trade, and the movement of labour. It is also pointed out that important structural reforms are needed before a healthy expansion can be achieved, above all reforms in the organization, methods, and financing of government departments, public bodies, and para-statal agencies—particularly the abolition of the complicated system of subsidies and concessionary rates between State undertakings. Moreover, it is recommended that the Government should aim at a general advance in economic activity rather than initiating isolated, and sometimes showy, schemes to help backward areas, since a general rise in employment, led by industry, would drain off the surplus labour from agriculture. Both reports also agree that, given a sound policy including well-directed government investment and the encouragement of private capital, both Spanish and foreign, the economic prospects for Spain are highly favourable. The World Bank mission estimates that total employment could be increased by at least a million during the next decade and that an annual rate of growth of 5 per cent per head of the population should be possible over a long period.

Possible social and political effects of the Development Plan

If the Development Plan succeeds, it may have important social and political, as well as economic, consequences. A freer and more prosperous economy, if it results in a general raising and a greater equalizing of living standards, should bring about a natural pressure for democratic government and at the same time the conditions in which it can function, by creating a more solidly based middle class and removing the present extremes of wealth and poverty. It is widely recognized among Spaniards that the nation, whether or not it deserves the present dictatorship, is not ready for full democracy in the British sense. The necessary civic responsibility and moderation are lacking. To Spaniards party politics have always meant intrigue, spoils, and, above all, hatred of the other side, who are always '*malos*' or wicked people. But this feeling is mainly due to the

parochialism, financial insecurity, and wide social rifts of an economically backward nation.

Nevertheless, the Spanish Opposition, whose views to some extent reflect those of many Spanish business men, refuse to admit that salvation can be found in economic development under the present regime. They say that Spain must move, and move quickly, from the present arbitrary dictatorship to a constitutional government. The present regime, in spite of the *Fuero de los Españoles* and other legal texts, is essentially arbitrary. It may become milder or more severe: but the Government in effect does as it likes, or rather as General Franco likes. All talk of a gradual relaxation of the dictatorship leading to the establishment of democracy is mere wishful thinking, for a dictatorship of the Franco type cannot democratize itself without losing its grip on the country.

The first aim, the Opposition argues, must be to secure human rights—freedom of the press, freedom of workers to form their own associations with the right to strike, and other civic freedoms. These must be guaranteed by law, even if they are circumscribed. (It is admitted that Spain will continue to need strong government during a transitional period.) The return of Don Juan as a constitutional monarch is the solution proposed; but this is not insisted on. The hope is that some change to constitutional government may be effected with the agreement of the Army, which controls the situation.

To the argument that the economic Development Plan should have priority and that political development will follow, the Opposition have two answers:

First, they argue that political change is not a matter that can wait. General Franco, though he has survived many rumours about his health, is not a young man and may die at any time, and it is felt that no one else could manage the balancing act by which he has maintained the present system. His death might well lead to popular outbreaks followed by savage military repression. A regular, constitutional Government is therefore considered to be the only guarantee of order and to that extent the only assurance for Spanish business and the foreign investor.

Secondly, so the argument runs, the economic Development Plan cannot be carried through without political reform, because otherwise the resistance of vested interests would be too strong. The Plan cannot function until action has been taken against the basic ills of the Spanish economy—the huge expenditure on the Army, which is notoriously overstaffed with 'colonels', and the similarly inflated expenditure on the '*Movimiento*', that is, the Falange Party, and on the Falange-controlled official syndicates; the over-staffed civil service, with its ingrained archaic methods; the chaotic system of departmental financing, with 1,600 'autonomous departments', often living on their own sources of income in taxes, dues, and charges paid by the public; and the many para-statal

enterprises declared 'of national interest' and enjoying privileges as regards loans, supplies, industrial orders, and taxation, the most important of such enterprises being the giant I.N.I. combine, which has created large undertakings at great public expense, often not supplementing private initiative, but competing with it. Lastly, apart from government machinery, there is the fundamental problem of the impoverished agricultural areas, which retard the nation socially and prevent an expansion of the home market.

To cure these ills will mean overcoming a mass of vested interests, the strongest of these being the Army and the landowners, the latter closely linked with the Army and the banking families. The Franco regime, it is said, can never achieve these reforms; it will only produce programmes which, as so often happens in Spain, are not implemented.

Implementation of the Plan

This is the great question facing Spain today: Can and will the Spanish Government carry through the Development Plan? On the whole, the indications so far are that the Government is determined to do so, and it should be pointed out that many who are fully aware of the evils mentioned do not share the pessimistic conclusion. There is, however, the fundamental question whether political change should come before economic plans. Is Franco contemplating a change? At the moment, there is no sign of this. His public stand is quite clear: priority for economic development, with its promise of higher living standards, but at the same time a firm reassertion of the regime.

This was shown in the Cabinet reshuffle last July. The two Ministers mainly responsible for carrying out the new economic policy, Señor Ullastres, the Minister of Commerce, and Señor Navarro Rubio, the Minister of Finance, were retained, and their position was strengthened by the entry of two young and energetic men, Señor Lopez Bravo, former collaborator of Señor Ullastres, as Minister of Industry, and Señor Romeo, an economist, as Minister of Labour.

Another change, at the Ministry of Information and Tourism, attracted considerable attention, particularly abroad, where it was interpreted as a sign that press restrictions would be relaxed and free circulation of news and comment gradually permitted. In fact it has so far amounted to a great improvement in the services of the Ministry, but little approach to a free press. An experiment has been made by lifting the censorship of newspapers before publication. This applies to provincial papers but not, it should be noted, to those published in Madrid or Barcelona. It has been described as a removal of the censorship, but in fact it simply means that the responsibility for seeing that nothing objectionable is published, which could formerly be laid on the censors, now falls on the editors personally. Several of them have run into trouble already and been fined

or reprimanded. The authorities do not run much risk of editorial indiscretion, however; newspaper editors can be appointed only with Government approval, and their staffs, who come to the paper from special journalistic schools, have acquired practice in writing suitably and may at any time have their journalist's cards, without which they cannot earn a living, withdrawn.

Señor Fraga Iribarne, the new Minister, is young, energetic, and up to date; and he has already greatly improved the issue of official news. The changes he has introduced may be regarded as some sort of preparation for an eventual freeing of the press; but in themselves they amount to little more than a modernizing, and therefore a strengthening, of the existing propaganda machine.

General Franco's speeches since the Cabinet reshuffle, and particularly his traditional New Year broadcast, have been conspicuous for his obvious desire to show no yielding on the political issue. While stressing his Government's concern to improve the lot of the people, he has not taken refuge behind the hopes of the Development Plan, but, on the contrary, has devoted the greater part of his speeches to a justification of the whole economic record of the regime and a defence of the Franco corporative theory, towards which, he claims, other countries are moving.

Negotiations on U.S. bases

The same attitude can be discerned with regard to the present negotiations for a renewal of the agreement on U.S. bases in Spain, which expires in September. In spite of the changes that have occurred in U.S. strategic thinking since the agreement was originally signed in 1953, it appears that the Americans still value the Spanish bases, and particularly the air and naval base at Rota, which seems destined to become the Mediterranean headquarters of the *Polaris*-launching submarines. It is obvious that General Franco is going to do some hard bargaining; but, so far as can be gathered, he is not now seeking economic aid as his price—either in the form of a renewal of direct economic aid, which the Americans ended last year, or of larger credits. Official Spanish statements, particularly the speeches of the Spanish Ambassador in Washington, indicate that the real objective now is an amplification of the alliance implied in the agreement on the bases. One manifestation of this would be pressure on the part of the United States to secure Spain's entry to NATO; another would be more military assistance than the Americans have hitherto given towards bringing the Spanish armed forces up to NATO standards. But the essence of the policy is that the present agreement should become an unreserved alliance—in other words, that the United States should accept the Franco regime and use her influence to get this regime accepted internationally.

Achievements of the new economic policy

Apart from speculations about the future, what has already been achieved under the new economic policy? A great deal. First of all there is the success of stabilization, which has made the peseta, previously only supported by artificial rates, into one of the world's strong currencies and now freely convertible. The industrial depression resulting from the deflationary measures accompanying stabilization has been overcome, and Spain is now a country of rising industrial activity. The 're-activization', demanded on all sides in the early months of 1960 and slow in starting, is now well under way.

There are, however, exceptions. The cotton industry has been experiencing a severe slump since April 1962; this is significant both because of the importance of the industry in general national production and also because the life of industrial Catalonia depends on it. Retail trade, though better, is not booming. But, in general, signs of activity are unmistakable. The revival first became apparent in 1961, when, according to official figures recently issued, there was a rise in the national income of just under 7 per cent.[1] It continued during the past year, when, according to the same figures, the rise in national income was slightly under 6 per cent —compared, of course, with a revival year and not a depression year. The index of industrial production rose by nearly 13½ per cent. Bank clearings have continued to rise and foreign investment in Spain, though less than the Government hoped for, is estimated to have risen by over 60 per cent. Industrial unemployment has ceased to be a national problem. There is an acute shortage of skilled workers and a keen demand for unskilled labour, which is drawing more and more labourers to the cities from the countryside.

The revival has, inevitably, been accompanied by inflationary symptoms and some deterioration in the previous strong financial position. The progressive freeing of imports, combined with greater industrial activity and steps taken by Spanish firms to improve their equipment to meet more competitive conditions, has resulted in a big rise in imports, while the rise in exports that occurred during the depression of the home market has been halted. Spain is now running an adverse trade balance, so far mostly covered by receipts from the ever-booming tourist trade and other 'invisibles', such as remittances by the many thousands of emigrant Spanish workers and imports of capital from abroad. At the same time prices of goods and services have been rising continuously (the official cost-of-living figure is nearly 6 per cent higher) due to various causes, but mainly to a great increase in the volume of money and recent sharp rises in wages. The fiduciary circulation was up by nearly 15 per cent at the end of 1962 compared with December 1961, when it had

[1] Statistics approved by the Council of National Economy on 29 December 1962.

already shown a rise of nearly 11 per cent. The average rise in wages through the collective agreements that have been negotiated by the syndicates, and now affect over 4 million workers, was over 30 per cent, and the recent raising of the basic wage paid to the poorest workers, though no more than bare justice, is bound to exert a pressure on the higher levels. Inflation, however, has not yet reached abnormal proportions or anything like the conditions of 1957, and the Government appears to be confident that it has it under control.

More important from the long-term point of view is the evidence that the Government is working closely with the advisers of the World Bank and making a serious attempt to carry out the necessary administrative and structural reforms. Steady progress has been made in publishing the lists of liberalized imports and speeding up import and export formalities, and during the past year important steps have been taken to remove restrictions on investment. Foreign investors, both on the stock exchanges and directly in Spanish firms, are now free to repatriate capital and profits, and although authorization is still required for more than a 50 per cent foreign holding in the latter, it is being given in a large number of cases. Restrictions on Spanish enterprise, applying to the establishment of new works, the extension of existing ones, and increases in output, have been largely removed. A bank reform law has been passed to deal with the problem of mixed banking and the wide business interests of the Spanish banks.

By one means or another, also, an approach is being made to a free labour market. The workers are being protected by the extension of unemployment insurance, first introduced on a limited scale in 1960, and by the fact that, although strikes are still illegal, those of last year, in the Asturias and other parts of Spain, were in fact tolerated and a procedure favourable to the workers, under which the Minister of Labour will arbitrate in disputes, has now been introduced. These arrangements may make it possible to relax the restrictions on employers dismissing workmen.

In November last year the 'Preliminary Measures of the Development Plan' were published. They included a centralization of government departments, the closing of the Price Control Board, measures to prevent departments maintaining or creating unnecessary controls, and rules for para-statal enterprises which, if seriously applied, should bring order into their activities and finances. While some Spaniards are sceptical of the sweeping promises of the 'Preliminary Measures', others believe that the Government will make them good and that the resistance to economic reform in Spain will be overcome.

What chance of lower tariffs?
GATT and the Kennedy round

M. H. FISHER

TRADE Ministers from the forty-odd Contracting Parties to the General Agreement on Tariffs and Trade will be meeting in Geneva from 16 to 21 May to prepare the ground for the Kennedy round of tariff negotiations. There will be numerous speeches in praise of free(r) trade, pleas from the developing and raw-material-producing countries for commodity stabilization schemes, demands from the low-cost producing nations that discriminatory quota controls against them should be abolished, complaints from agricultural exporters that the industrialized nations of Europe and North America give excessive protection to their own high-cost agricultural industries.

What everyone will say will probably not be particularly important. What will matter is whether the Ministers present can agree on definite instructions to their officials, who some time next year will have to do the detailed haggling on tariffs. And this in turn will probably depend on the outcome of the discussions of the working party which, after a break for Easter, resumed its labours on 22 April. The first round of discussions certainly provided no sign that anything in the nature of a real break-through was in the offing. So far it has been very much of a *dialogue des sourds*.

All through last year, the opponents of British membership of the European Economic Community—at least, some of the more sophisticated opponents—argued that Britain could achieve many of the benefits which entry into the Community might have brought by making the Kennedy round a success. But as has been shown very clearly in the last few weeks, Britain in fact has very little influence on the outcome of what is essentially a negotiation between the United States and the Six. Britain can state, and has indeed done so repeatedly, that she is willing to match any concessions which the Six and the United States can agree on; she cannot by herself do very much to induce these concessions.

The reason for this is that the U.S. Trade Expansion Act was specifically designed by the American Administration to provide a means of bringing down the common external tariff of the E.E.C. once Britain and other European countries had joined.[1] One important part of the Act has,

[1] See 'President Kennedy's Programme for Expanding Trade', in *The World Today*, March 1962.

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for practical purposes, now been rendered inoperative. To facilitate trade between what would have been two large economic blocs on either side of the Atlantic, the President was given power to negotiate tariffs right down to zero on goods in which the United States and the E.E.C. accounted for 80 per cent of world trade. If Britain, Denmark, and Norway had joined the E.E.C., this—admittedly only a permissive provision—might have been applied to a very wide range of industrial products. As it is, only jet aircraft and margarine meet the requirements.

What the American President is now left with is the power to negotiate tariff reductions of up to 50 per cent, which would be implemented over a five-year period. By abolishing the 'peril point' clause—under which the Tariff Commission had to state a level below which any tariff could not be reduced without the prospect of serious damage to U.S. industry—the Act makes it possible to negotiate across-the-board reductions. The timing of the negotiations, however, is likely to raise difficulties for President Kennedy. While the Tariff Commission no longer has to fix a 'peril point', it must still hold public hearings to determine the effects of any tariff reductions on the list of items which the President must submit to the Commission. This process will, assuming that it starts at mid-year, take up the second half of 1963. By the time the haggling starts at Geneva, therefore, the United States will be in a presidential election year. Protectionist pressure groups will thus be operating in a politically favourable climate.

Objections from the Six

In the Six, too, protectionist noises are to be heard, and if Europe's economic growth were to slow down materially this year, they could well become stronger. French industry in particular does not look with universal favour on slashing tariff reductions. And the fact that the Six are negotiating as a unit—not until 1966 does majority voting apply to tariff levels—means that there is a strong temptation to indulge in mutual back-scratching, members of the Six agreeing to protect each other's 'lame-duck' industries. In theory the Six may still agree on across-the-board tariff cuts; in practice each side is certain to demand a large number of exceptions. If the number is large enough, the whole round will relapse into the item-by-item haggling which made the Dillon round so lengthy (from May 1961 to January 1962) and, in the last analysis, frustrating.[1]

Technical difficulties too remain to be overcome. Whatever the average level of the U.S., the Community, and, for that matter, the British tariffs—and averages in this context are not very meaningful—all the Europeans point out, with considerable justice, that a number of U.S.

[1] See 'President Kennedy's "Grand Design"', in *The World Today*, September 1962.

duties are so high as to preclude all imports. Halving of such duties might still leave them at an effectively prohibitive level. The Europeans will therefore not be particularly enthusiastic about granting reciprocity for the reduction of an American duty from 100 to 50 per cent. They will also press for a change in the American system of customs valuation, which on occasion can raise a nominal 100 per cent tariff to a real rate of almost twice that.

The problem of agriculture

Considerable though these obstacles are, it is politics and agriculture which represent the major stumbling-blocks. The preamble of the American Act states flatly that one of its purposes is 'to maintain and enlarge foreign markets for U.S. *agricultural*, mining and industrial products'. And both Mr Christian Herter and Mr Orville Freeman have repeatedly reminded the Six, in the strongest possible terms, that the United States expects them to make concessions in the agricultural field. It is true that Mr Freeman has also expressed American willingness to allow American farm policy to come under examination. The trouble is that it is not the Six who are seeking access to the U.S. market for their farm products, but countries like Australia and New Zealand.

The Americans have discovered, to their cost, that a variable import levy is a most effective protective instrument. Their sales of poultry to the Six have been hard hit and, in the longer term, the United States is greatly concerned at the effect of the common agricultural policy of the E.E.C. on her wheat sales. But for economic and political reasons, it is hard to see any concessions by the Six in the agricultural sector.

For a start, the Six can hardly negotiate on their common agricultural policy before they have one. This is the point on which the French have seized. It was obvious, from the moment of the E.E.C.'s creation, that the establishment of one market for foodstuffs was far and away the most difficult task which the architects of the Rome Treaty had to face. To free trade in industrial products at a time of boom is easy; to cut prices on some farm product for the sake of the European ideal is something which President de Gaulle cannot persuade even Dr Adenauer to do.

The French now argue that a precondition for a real negotiation with the Americans is that the Six should settle all the outstanding issues in the farm sector first. If Britain had joined the E.E.C., the undertaking to negotiate world commodity agreements for temperate-zone foodstuffs might conceivably have led to a settlement of at least some of the more contentious and pressing problems. But now the atmosphere is hardly conducive to a deal among the Six themselves, let alone to one between the Six and the Americans. Dr Schroeder has in fact already tried to reverse what is in effect a French blackmail position by stating that, in Germany's view, the agricultural side of the Common Market has gone

too far too fast. He has said that, before any further moves on agriculture, the Six should, above all, get their foreign trade policy sorted out, which means that the Germans want to see a successful outcome of the Kennedy round and some improvement in relations with Britain before any further stage in the common agricultural policy is implemented.

That this line will appeal to the French is highly unlikely, to put it mildly. General de Gaulle, in a little-noticed passage in his press conference of 14 January, made it very plain that, in his view, the French farmer has a prior right to supply the rest of the Six with any food they might need. An even greater strength is given to the French position by the fact that, in the last resort, they are probably the only member of the Six who would not regard the collapse of the E.E.C. as a really major disaster. The French technocrats are convinced that the existence of the E.E.C. has been a minor factor in France's rapid economic advance in the past few years. In other members of the Six, by contrast, wide sections of the population not merely regard the E.E.C. as the one road towards their ultimate objective—political unity—but also believe that the existence of the Community has contributed greatly to their prosperity.

The French, moreover, are skilfully using one argument which does appeal to the 'Europeans'. The Community, they say, is not yet sufficiently consolidated to be able to do without the 'cement' of a common external tariff which is high enough to give Community producers a definite preference against outside suppliers.

In view of the current *malaise* within the Community, it is hardly surprising that the opening shots in the GATT campaign should have been rather muffled ones. The Six have said that, pending the outcome of the Kennedy round, they will make the second adjustment to the common external tariff—due on 1 July—on the basis of the c.e.t. less 20 per cent. The basis of the calculation, however, is to be the original c.e.t., which means that on items on which the full 20 per cent reduction was negotiated in the Dillon round no further cut is to be made at this stage. The Six will have to do a great deal better than that if there is to be any real progress in dismantling trade barriers.

Possible hopeful signs

In all this gloom though, there are two gleams of light discernible. Britain may not have a powerful hand to play, given the present situation. But, if the foreshadowed reform of the system of farm support in Britain were to go in a certain direction, her bargaining power might well be stepped up. It is clear that the British Government will have to impose some form of import controls on a number of farm products if the subsidy bill is to be contained, without exposing the home farmer to a squeeze so severe as to be politically unacceptable.

But import controls can be imposed in a number of different ways. By

using a variable levy on, say, grain, Britain could insulate her home-market price level and still buy cheaply abroad. Control through quotas, on the other hand, would mean that the price paid to overseas suppliers would rise. If this latter alternative were to be considered, Britain could demand counter-concessions from her suppliers—which include both the United States and the Six—using the strength of her position as the biggest food importer in the world. Just how high a price the others might be willing to pay would remain to be seen—would the United States lower her tariff on woollens?—but at least an agricultural carrot would be introduced into the GATT bargaining.

The second cause for some hope is the way in which President Kennedy's personal prestige is engaged in the GATT talks. The President can hardly want to see the negotiations—which have been stamped with his name—fail completely. His touch with Congress has so far not been a particularly happy one. The Trade Expansion Act remains, for the time being, the greatest legislative achievement of his Administration. Would he really be prepared to face the American electors admitting that all the excitement over the Act had been in vain? More important, would he, in the last resort, abandon the fight to get easier access to the E.E.C. for U.S. industrial products because of his inability to safeguard fully the sales of the few hundred million dollars' worth of farm products which are threatened by the provisions of the E.E.C. agricultural policy agreed so far?

It is because the answer to these questions is unlikely to be a flat 'Yes' that the more sombre prognostications of the pessimists—of whom there are a large number—are perhaps too sombre. But there can be little doubt that the high hopes which were felt in Washington in the autumn of last year, when the Trade Expansion Act was passed, will not be realized. And for Britain the Kennedy round will be shown not to have been an alternative to the E.E.C.

Within the Community of the Six, economic integration may still turn out to be the road to political unity—even if General de Gaulle has made it a hard road to travel. But the forging of really close economic links between the 'Anglo-Saxons' and the E.E.C. will have to be preceded by a political settlement, and GATT is not the forum for that.

A new turn in Moroccan affairs

E. A. ALPORT

ON 7 December 1962 the people of Morocco voted by an overwhelming majority in favour of a Constitution which King Hassan II had submitted to a Referendum. It was the first time they had voted on a national issue and only the second time they had voted at all, the first being the municipal and communal elections held in 1960. The preparation and organization of the Referendum, which was not announced until 18 November, were remarkable for their speed and efficiency, and the whole operation was a triumph for the King, his administration, and the Istiqlal Party. It was also a defeat for the only effective Opposition party, the *Union Nationale des Forces Populaires* led by Mehdi ben Barka and Abderrahim Bouabid, who had campaigned for abstention from voting. Of the registered voters 86 per cent went to the polls, ignoring the call to stay away, and 95 per cent of these cast votes in favour.

The UNFP and their supporters opposed the Referendum because, they claimed, the Constitution was undemocratic and drafted in an arbitrary way. Neither allegation can be denied. The draft of the Constitution was prepared by the Palace, under the King's close supervision, since the Constitutional Council appointed by the late King Mohamed V was prevented from functioning by the same Opposition which demanded the election of a Constituent Assembly. The Constitution itself—which, it may be said, bears a distinct family resemblance to that of the Fifth French Republic—accords to the King powers which should not make it difficult for him to override any parliamentary opposition, so long as it is not in practice unanimous; and unanimity is hardly to be expected since Article 3 of the Constitution lays it down that there can be no single-party system.[1] All citizens, both men and women, are entitled to vote, but only for the lower house of Parliament (*Chambre des Représentants*). The upper house (*Chambre des Conseillers*) is elected by colleges composed of members of the provincial and municipal assemblies, of the Chambers of commerce and industry, agriculture, and handicrafts, and of the trade-unions, and only members of these bodies are eligible. The powers of Parliament are narrowly circumscribed; for instance, a Bill to which the Government is opposed, even if adopted by a two-thirds majority, may still be reserved for the final decision of the King, who alone promulgates

[1] 'Il ne peut y avoir de parti unique au Maroc.'

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laws. On the other hand, the House of Representatives can pass a vote of no confidence or of censure and force the Government to resign. But the King may proclaim a state of emergency and govern by decree, and he may dissolve Parliament one year after its election.

Considering that the only elected bodies in Morocco so far have been the Chambers of commerce and industry and the local assemblies, and that the country has for many centuries looked to its monarch to govern and to choose his councillors himself, the Constitution must be called an advance, if a cautious one. Much depends on the prestige of the throne and the popularity of the King, and Hassan II has managed to maintain these on a high level. The Referendum was conducted by the administration and understood by the electorate as something their ruler wished them to do, and they cheerfully complied. The Opposition complained that their posters were torn down, their representatives arrested, and that they were given far too little time on radio and television to put their case. But it may well be doubted if the result would have been materially changed had they been unhindered. The Istiqlal Party and its system of cells, plus the Minister of the Interior and his hierarchy of local administrators, are unbeatable when they combine, as they did on this occasion. The influence of the Istiqlal on the people is based largely on their reputation of being the King's men, a reputation they consolidated and made good use of during the late King's exile under French rule. Since the promise of a Constitution had also been made by the late King Mohamed V the whole measure bore an unmistakably royal stamp which added enormously to its popularity.

Government changes

Almost immediately after the Referendum the political picture changed. Latent differences within the Government, which had been suppressed, were allowed to come into the open and led to the resignation of three leading members of the Istiqlal: the head of the party, Allal el-Fassi, who was Minister of State for Islamic Affairs; Mohamed Douiri, Minister of Finance and National Economy; and Mohamed Boucetta, Minister of Justice. These differences existed between the Istiqlal Party and Ahmed Réda Guédira, Director of the King's Cabinet, Minister of Agriculture, Minister of the Interior, and the King's closest adviser, whose hand was much strengthened by the Referendum which he had piloted so well to success. He is politically an Indépendent and his views are a great deal more liberal than those of the Istiqlal, which is strongly Islamic on the one hand and socialistic on the other; moreover the leader of the Istiqlal, Allal el-Fassi, is the standard-bearer of the Mauritanian orientation in Moroccan foreign policy. M. Guédira's views, expressed in the weekly newspaper *Les Phares*, and since the end of March also in the new daily, *Clarté*, are moderate and pragmatic and con-

flict in nearly all fields with the principles and doctrines of the Istiqlal.

The Government is now composed almost entirely of Independents, with the exception of the two leaders of the *Mouvement Populaire*, the only party with a mass following that can be compared with the UNFP and the Istiqlal, although it is much smaller.[1] While the UNFP has been out of power since 1960 and has constantly criticized the Government, the Istiqlal, and the regime itself, the Istiqlal in opposition found itself restricted to attacking Réda Guédira personally, for it could not very well attack the regime which it had only just helped to establish with a Constitution, nor was there any political group in the Government whose principles could be made a subject of controversy. However, M. Guédira, evidently feeling the need for a wider political platform, created such a grouping on 20 March 1963 when he, together with a number of Independents and the leaders of the *Mouvement Populaire*, founded the *Front pour la Défense des Institutions Constitutionelles*, thus presenting the other two parties with a target at least more substantial than his own person. The new party is destined to play an important role in Moroccan domestic affairs this year.

Foreign policy

A new turn can also be discerned in Morocco's foreign policy. While the Istiqlal was strongly represented in the Government, the Mauritanian question was an awkward matter of policy, much talked about but not acted upon. Ahmed Balafrej, the former Secretary-General of the Istiqlal, has been in charge of foreign affairs with few interruptions since Morocco again became independent in 1956. He followed the line laid down by the late King, who, in 1960, claimed Mauritania's 'return to Morocco' in opposition to that country's vote for independence within the French Community, and later opposed her admission to the United Nations. Hassan II continued this policy, at least during the first year of his reign. But it must have been with regret that M. Balafrej, an experienced diplomat, felt obliged to withdraw Moroccan representation from several African conferences at which Mauritania took part; and the break with Tunisia, when President Bourguiba recognized the Islamic Republic of Mauritania, came as a sharp warning of the risks Morocco was running.

Without going into the details of the Mauritanian issue,[2] it should be made clear that the attitude taken by M. el-Fassi and the Istiqlal, and also adopted by the late King, is incompatible with the attitude of a modern nation-state, as conceived and represented by King Hassan. The Istiqlal's arguments are based upon the feudal allegiance, tribal loyalties, and religious adherence which the Sultans of Morocco received from many of the tribes in the western Sahara and Mauritania since the eleventh cen-

[1] See 'Morocco under the New King', in *The World Today*, May 1961.
[2] See 'Independent Mauritania', in *The World Today*, April 1961.

tury; but the Sultans' effective rule only intermittently extended beyond the coastal plains of Morocco itself, and defined borders, to say nothing of frontiers, were unknown in that part of the world. The new Constitution speaks of the 'authentic frontiers' of the kingdom ('. . . l'intégrité du royaume dans ses frontières authentiques', Article 19), while the Istiqlal has been campaigning for Morocco's 'natural and historical frontiers'. Now that the party and the King have parted company, M. el-Fassi feels free to return with fresh vigour to his irredentist claims.[1] He recently published a map of North Africa[2] in which Morocco extends over most of the Algerian Sahara and as far as Ghadames in Libya in the east and Timbuktu in Mali in the south; he supported this with historical evidence, such as the fact that the Tuareg of the Hoggar and of Tassili had their caïds appointed by the Sultan in Fez.

Plans for a greater Maghrib

M. Balafrej meanwhile succeeded in putting relations with Tunisia back on a more normal footing, and also in improving relations between Algeria and Tunisia. Algeria had given great offence to President Bourguiba by granting asylum to Tunisians involved in a plot against the President's life. A conference of the Foreign Ministers of the three Maghrib countries took place in Rabat in February 1963; it provided the first opportunity of discussing in a practical way the aims put forward by the three leading parties of the Maghrib—Istiqlal, FLN, and Neo-Destour—at Tangier in 1958, when a unified Greater Maghrib was planned. Agreement was reached to proceed by stages and to co-ordinate policy and institutions in the educational and legal fields, to establish economic co-operation, and to consult on a common attitude towards the European Common Market. Neither Mauritania nor the Sahara was referred to in the speeches and communiqués of the conference, nor were they mentioned by the King in his Speech from the Throne on 3 March.

A new approach to these problems appears to be in the mind of the Moroccan Government. If common policies in a number of technical and economic fields can be made to work and further steps towards union taken, it may well become possible to treat Mauritania and the Sahara as subordinate matters which could be dealt with by integration into a Greater Maghrib. Mauritania herself may see advantages in joining a formation of this kind. Strong links certainly exist binding the whole of North-West Africa together. From the Senegal river to the Gulf of Gabes, people share, to a greater or lesser degree, two languages and two cultures, Arabic and French, two racial affinities, Arab and Berber, and the religion of Islam. They all have fought, at one time or another, against European

[1] The party-political overtones of this question are discussed in 'The Irredentist Appeal in Morocco and Mauritania', by Douglas Ashford in *The Western Political Quarterly*, December 1962 (published in Salt Lake City, Utah).
[2] *Al-Istiqlal*, 24 March 1963.

rule, have entered the modern world as independent States under similar circumstances, and desire to rid themselves of the last vestiges of European domination. A common political framework for this region would seem to be a practical proposition, although of course not easy to achieve; nevertheless, proud reminders of the Almoravid empire and laments for the 'catastrophe of Isabella the Catholic of Spain', as put forward by M. el-Fassi,[1] may not be the best way to achieve it.

In his annual Speech from the Throne on the anniversary of his accession, Hassan II dwelt on the importance of a larger economic unit if industrialization is to succeed in Morocco, and he welcomed the achievement of Algeria's independence which made normal relations with France possible again and cleared the ground for building a Greater Maghrib, or '*Maghreb arabe*'. He stated that industrialization needed a sound basis in a flourishing agriculture, and that land reform and redistribution, for which adequate compensation would be paid, would have to take place on a large scale. Methods of agriculture also needed reforming, and a National Institute of Agriculture would be created.

Significance of the new party

Elections will play an unusually large role in Morocco in 1963. Three of the bodies from which electors to the upper house of Parliament are to be drawn—the Chambers of agriculture and of handicrafts, and the provincial assemblies—do not yet exist and have to be created and elected. The municipal and communal assemblies have to be re-elected; and a general election for the lower house has to be held if the first session of Parliament is to be opened on 18 November as planned.

The King's Speech and the formation by the Minister of Agriculture and the Interior of a new political party, with a mass following to be provided by the *Mouvement Populaire*, indicate that official attention is to be concentrated on the rural voter. The *Mouvement Populaire*, led by Mahjoub Ahardane, the Minister of Defence, and Dr Khatib, the Minister of Health and of African Affairs, started as a party representing the Berber-speaking mountain population, which found itself in danger of being pushed aside and ignored by the more literate, agile, urban, Arabic-speaking officials of the Istiqlal, who occupied most of the administrative posts in the country-side and the mountains when the French withdrew. It has few members in the towns and only a loose organization in the country and is likely to derive much benefit from its alliance with M. Guédira, the Minister of the Interior, and his administrative machinery; and since most of its members depend on the land for their living, the same leader, this time in his capacity as Minister of Agriculture, may take a number of measures which would probably please them. Rationalization and modernization of agriculture have been going on in some sec-

[1] *ibid.*

tors for years, but most of the land is still cultivated by ancient methods producing low yields. Legislation, aimed at increasing yields and improving the land and the animal stock, could help the country directly by producing more food and indirectly by widening the market for industrial products. The danger is that the Government may not go far enough in its reforms for fear of offending the conservative farmer and herdsman.

Membership of the UNFP is widespread, but it is chiefly based on the big cities where its main strength has been in trade-union support. However, the leadership of the *Union Marocaine du Travail* has shown an increasing tendency to concentrate on industrial matters and to play down politics, particularly since the Referendum, and all parties were invited to its Congress in December. The UNFP has radical principles and a progressive outlook that is perhaps not readily understood everywhere among a people only beginning to evolve towards an industrial society. Without the support of the UMT its influence would be much diminished.

Manifesto of the Istiqlal

This leaves the Istiqlal as the chief contender for power in the corporate bodies, the assemblies, and the Parliament to be elected this year. It is strongly represented in the towns, in some trade unions, and in the country-side, thoroughly organized from top to bottom, and disposes of an active and disciplined personnel. Starting as a middle-class nationalist party, it has moved steadily to the Left and in its second Manifesto of 11 January 1963[1] presented a list of social and economic demands quite as radical and progressive, if not more so, than those of the UNFP, which it is apparently trying to outbid. Nationalization or State control of banks, insurance, energy, transport, mines, and heavy industry, equalization of incomes, collective or co-operative farming, State enterprise on a big scale, price controls, and conscripted labour service are among the objectives the party pledges itself to pursue.

In the international field the party stands for co-operation in general and the building-up of a unified '*Maghreb arabe*' in particular. The Manifesto of 11 January did not mention Islam, nor the Arab League, nor Mauritania and the Sahara. This did not prevent its leader from publishing the map referred to above and his historical commentary two months later; but it narrows the gap between the two parties opposing the present Government.

[1] The first was published on 11 January 1944.

Technical assistance for human rights

The programme in action

ROSALYN HIGGINS

The first part of this article, published in the April issue of THE WORLD TODAY, *outlined the inception of the idea of a programme of advisory services in human rights.*

IN his statement before the Commission of Human Rights at its twelfth session in 1955, the Secretary-General described the main objective of the technical assistance programme in human rights in the following terms:

> The main purpose of the programme, as I understand it to be developing, should be to give governments an opportunity to exchange their experiences in solving or attempting to solve certain problems.[1]

He suggested that there should henceforth be an emphasis on the use of seminars, for by this method Governments which had had successful experience in a certain human rights field could make this information available, and other States could benefit from this information without having formally to request aid. The psychological disadvantage of putting a country in the position of having to ask for aid is apparent; a request is tantamount to an admission of failure to provide basic rights. The United Nations is unable to interfere in domestic affairs, and therefore cannot take the initiative. Emphasis on the seminar method, however, allows Governments to work—and learn—from a position of strength.

Although seminars have proved the most popular aspect of the programme so far, the alternative methods of granting fellowships and giving expert advice have not been entirely neglected, however.

(*a*) *Fellowships*. Little has been achieved by the United Nations itself in this particular aspect of the programme, but many fellowships in the field of human rights have been granted by Specialized Agencies. By the end of the 1950s UNESCO had granted 1,300 fellowships to nationals of seventy countries, and about 670 of these were allotted to specialists in education. This healthy trend continues. More recently, the International Labour Office has come to rely to a greater extent upon the granting of technical assistance fellowships for the implementation of its recom-

[1] U.N. Doc. A/3137.

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mendations on basic working conditions, and international legislation on these matters no longer commands pride of place.

Until last year only two fellowships had been awarded by the United Nations itself, the field of study in both cases being the protection of human rights in criminal proceedings. The first of these was awarded to an official of the Korean Ministry of Justice and was tenable in the United Kingdom. However, since the discussions at the sixteenth session of the Assembly in December 1961,[1] forty-four applications have been received, and a further nineteen fellowships have been awarded.[2] The average cost of a fellowship is estimated to be $4,500. By Resolution 1872 of 7 December last year the Assembly determined that in 1963 the resources for this programme should be increased and the award of a further thirty fellowships during 1963 is expected.

There is little doubt that U.N. policy now is to increase publicity for fellowships. The admission of a large number of new States to the United Nations has made it even more necessary to give greater attention to this aspect of the advisory services programme; and it is anticipated that fellowships will be reserved especially, if not exclusively, for persons from underdeveloped countries.

(*b*) *Expert Advice*. While the advisory services programme was still in the embryonic stage, the Government of Pakistan in 1955 requested technical assistance in the organizing of women's groups within the country. In response the Director of the Division of Human Rights went to Pakistan as an expert adviser. A couple of years later the Government of Haiti asked for an expert to advise it on the development of election procedures and techniques, especially on the problem of identification of voters and candidates.[3] An expert went to Haiti, but, in the event, his work was interrupted by the overthrow of the Government. In 1958 the Government of Costa Rica requested the United Nations to send observers at the time of its national elections. This request was more for an 'international presence' than for technical assistance. Three observers—a Canadian professor, a Swedish journalist, and a Uruguayan jurist—went to Costa Rica, and reported their observations on the elections to the President. In the light of their comments the Government then requested advice on the reform of electoral procedure, and an expert was appointed. He completed a survey of the electoral laws and institutions of Costa Rica and recommended a further series of investigations, which are now being carried out by another expert.

UNESCO's experience in this method of assistance is proving useful to the United Nations. An experimental project has been carried on in

[1] See General Assembly Resolution 1679(XVI).

[2] For a list of the countries from which the new fellows come, the countries in which the fellowships are to be taken up, and the subjects covered, see U.N. Doc. E/CN. 4/834 p. 7.

[3] U.N. Doc. E/3075.

Thailand since 1949 as part of a plan of educational reform drawn up by the Thai Government.[1] The experiment was directed by a joint commission of Thai and foreign experts, the latter being appointed by UNESCO, ILO, FAO, and WHO. It is generally agreed that the project has had significant impact. UNESCO work in educational organization in Costa Rica and Liberia has also provided invaluable blueprints.

At the last session of the Commission of Human Rights there was some talk of the possibility of sending out not only experts, but also lecturers. The Secretary-General, in a document of last year,[2] drew attention to the fact that expert advisory services include the provision of information by the Secretariat, which has offered to make available not only texts on specific rights, but also information on the inclusion of Bills of Rights in constitutions, the judicial enforcement of human rights, and systems of petitioning.

(*c*) *Seminars*. So far, this aspect of the advisory services programme has received the greatest emphasis. Not only does it allow for a valuable exchange of ideas, but it also introduces a United Nations 'presence' into the countries where the seminars are held. But although this method does not have the psychological drawbacks of the other methods already discussed, the administrative and policy problems for the United Nations are considerable.

It is obviously desirable that as many States as possible should participate in seminars. However, this ideal may well have to be tempered, for the present time at least, by the hard fact that too great a diversity of cultures at a seminar may hinder, rather than help, its prospects of success. To date, therefore, seminars have been regional rather than universal, both in order to cover topics of special interest to nations linked by geography, religion, or culture, and so that there might be as much common ground as possible between the participants in terms of development.

Seminars on the status of women and the protection of human rights in criminal law and procedure have been held for the Latin American countries, with the United States and Canada also participating. Conferences have been convened in Asia on the role of women in public life, and the protection of human rights in criminal law, invitations going to countries within the geographical scope of the Economic Commission for Asia and the Far East, with the addition of Australia and New Zealand. (The Soviet Union unsuccessfully claimed the right to join in these as an 'Asian State'.) Two meetings have been held in Europe, both East and West, and to these were invited all European countries which are members of the United Nations or of a Specialized Agency. In 1963 seminars are to be held in Australia on the role of the police, in Poland on the rights of the child, and in Colombia on the status of women in family law.

In 1964 a seminar is to be held for the first time in Africa; it is to be pre-

[1] UNESCO Doc. 43/Ex.17. [2] U.N. Doc. E/CN.4/825.

sumed that all members of the Economic Commission for Africa will be invited. Once seminars in family law and the administration of criminal justice have been held in Africa, these topics will have been discussed in all the four major geographical regions, and it might then be useful to consider holding an international seminar on the same subject in order to synthesize the ideas and recommendations. By and large, however, there seems little to be gained at this juncture from making the scope of the seminars universal rather than regional.

The seminars aim to provide an exchange of ideas and opinions between persons who either hold important positions in their own countries or who may be expected to attain such positions in the foreseeable future. Consequently, the recommendations made by UNESCO—that participants should be fully qualified professionally and technically, and have adequate knowledge of at least one of the working languages—have been adhered to rigorously. This is also consonant with the philosophy of the advisory services programme as propounded by the late Secretary-General:

> Perhaps the most important purpose of these seminars is to bring together key people for short periods of time to stimulate their thinking and through their leadership encourage greater awareness of problems of human rights within official circles.[1]

An impressive cross-section of persons has certainly been achieved during the seminars, and those held last year may be cited as an example. A seminar in India on freedom of information was attended by jurists, prominent persons in information media, and senior government officials. At a meeting on the status of women in family law in Japan, representatives were invited who had practical experience in law and the relevant social sciences, or who were active in status of women programmes in their own countries. At the seminar in Sweden on abuse of administrative authority, judges of administrative courts, attorneys-general, and ombudsmen were present.

Invitations are always issued to non-governmental organizations in consultative status with ECOSOC and to Specialized Agencies which have a special interest in the topic under consideration. UNESCO and ILO send observers fairly consistently, WHO and FAO occasionally. In this way liaison is maintained between the Agencies working in the various fields.

The choice of seminar topics nominally lies with the host country, though in fact the responsibility is shared with the United Nations. Thus the initiative to hold seminars on the participation of women in public life came from the Commission on the Status of Women, and the decision to hold seminars on criminal law and procedure appears to have originated in the Secretariat. M. René Cassin, the French member on the Commis-

[1] U.N. Doc. A/3137.

sion of Human Rights, was largely instrumental in the selection of the question of remedies for the illegal exercise of administrative authority.

Suitable topics for seminars

The problem of finding suitable topics has been causing the Secretary-General some difficulty. The opinion has been voiced—mainly by the U.S.S.R., Poland, and Czechoslovakia—that narrow, technical subjects should be avoided, because they might impede the general exchange of ideas and because seminar work in these fields is already adequately provided by the Specialized Agencies. Other States feel that if any real results are to be achieved a precise definition of a limited subject is needed and generalities are to be avoided. In the event, each of the seminars held up to the present time has had a working party draw up a list of detailed items for discussion within the general topic selected, and discussion has been controlled along these lines. The seminars held in 1959 in Ceylon and Argentina on remedies against the abuse of administrative authority may perhaps be criticized for endeavouring to cover too many aspects of an exceedingly technical problem. Subsequent seminars on the purposes and limits of penal sanctions and on the protection of rights in criminal procedure have managed to avoid this pitfall.

So far the range of seminar topics has been rather limited, covering mainly the legal rights of women and their participation in public life, various aspects of criminal law, and the abuse of criminal and administrative procedures. There has been an understandable reluctance to discuss human rights which are more politically charged and, indeed, the fate of the draft Covenants provides ample warning of the dangers of so doing. However, there are some indications that the United Nations is now willing to consider treading a little less warily. A seminar was held in India last year on freedom of information, dealing with government controls, press laws, and the role of the publisher and journalist, and this year there is to be a seminar in Afghanistan on public freedoms in developing countries, a vital and controversial topic. It had been hoped that a human rights seminar would be held in Senegal, but tentative arrangements have now been abandoned.

None the less it remains true that to date the seminars have concentrated on political and civil rights and have not yet attempted to come to grips with economic and social rights, the question of the protection of minorities being a case in point. The argument that these rights should be dealt with solely by agencies such as UNESCO and ILO does not seem justified; the United Nations has long opposed the doctrine of such a division of labour between itself and its Specialized Agencies, on the ground that it must concern itself with all basic rights, no matter of what kind.

Conclusion

Basic doctrinal conflicts as to the desirability of the whole programme now appear to be a thing of the past: the road is open for progress. The main reasons for the withdrawal of Communist opposition seem to be twofold. First, a slight but significant increase in participation in international organization generally occurred during the immediate post-Stalin era; Soviet policy now regards limited participation in U.N. programmes as an opportunity to be used to advantage. Secondly, the understandable fears of the Communist countries that other human rights activities would be jettisoned in favour of advisory services have been shown to be groundless. Work on the drafting of Covenants of Human Rights has continued, and some progress has been made. So far, the Third Committee of the Assembly has adopted the preamble and Articles 1 to 16 of the draft Convention on Economic, Social and Cultural Rights, and Articles 1, 3, 5, and 6 to 26 of the Covenant on Civil and Political Rights.[1] Meanwhile, a U.N. committee receives and examines periodic reports on human rights, and National Advisory Committees on Human Rights are being set up within the member countries.[2] Special studies on individual rights have been instituted, and the annual work of the three sub-commissions of the Commission of Human Rights continues. Moreover, the Specialized Agencies have called several international conferences which have drawn up treaties dealing with some aspect or other of basic human rights, and the ECOSOC meetings held last year left the door open for further operational activities.[3]

Thus far, then, progress has been made. The programme has moved behind the Iron Curtain, with Rumania as host for a seminar in 1961 and Poland scheduled for 1963—and next year it is advancing into Africa. The concept of advisory services in human rights is still new, and the operations of the programme are still limited. None the less, there can be little doubt that the problem of non-observance of fundamental freedoms must be tackled at the grass roots as well as from above. This is especially true when lack of technical knowledge is as much a danger to human rights as deliberate political suppression: education and an exchange of ideas between the various ruling and administrative *élites* cannot fail to be advantageous. The programme makes comparatively small budgetary demands upon the limited resources of the United Nations, and if that body can resist demands for rapid tangible proof of success in this field, and will patiently expand the programme to new territories and new concepts, much can be achieved.

[1] General Assembly Resolution 1666(XVI) and U.N. Doc. A/5365.
[2] Under ECOSOC Resolution 772B(XXX).
[3] See U.N. Doc. E/CN.4/807.

The Ba'athist revolution in Iraq

CLARE HOLLINGWORTH

A FORTNIGHT before the Iraqi *coup d'état* took place, the future Minister for Agrarian Reform, Sayed Saadoun Hamadi, was drinking coffee with his friends in the international airport of Beirut. Just before his plane took off he excused himself, saying: 'I must put some pyjamas on under my suit because I know I shall be arrested when I reach Baghdad airport and I want to be comfortable in prison: it won't be for long as the dictator traitor, Karim Kassim, will be liquidated within three weeks.'

The *coup* took place on 8 February (Ramadan 14), a day or so ahead of the original plan which had been drawn up in great detail and with enormous care by conspirators, many of whom were outside the country. The arrangements which were made to liquidate the Communist commander of the Iraqi Air Force, Jalah al Awqali, before the revolutionaries came into the open and organized the take-over of the machinery of state and the Defence Forces, are still worth recording. A harsh irrational censorship, and the fact that the accurate account did not become known until days later, prevented correspondents on the spot at the time from reporting the *coup*, which, to be fair to the conspirators, could never have taken place had General Kassim not been extremely unpopular with every section of the Iraqi people, apart from the poor and workless.

The radio station was taken over before 8 a.m. and it is significant that although the title of the new regime—the National Council of the Revolution—and its aims and intentions were announced, no one listened to the news, or, at least, registered its importance. After the broadcast Karim Kassim drove from his surburban villa to his bullet-proof flat in the heart of the compound which forms the Ministry of Defence.

Like all Fridays, especially during Ramadan, the Muslim month of fasting, there was but little activity early in the morning in Baghdad, with the result that the National Council of the Revolutionary Command were able to announce their *coup* over two hours before anyone, even the politically conscious Baghdadi, appeared to be aware that a revolution had begun. Meanwhile, Baghdad radio ordered all the alerted members of the group of Free Officers (a military off-shoot of the Ba'athist Party), most of whom had been retired or imprisoned by Kassim, to return to their regiments. Brigadier Fouad Aref, the leader of the Army march on Baghdad on 14 July 1958, when Kassim took over from the former regime

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of King Faisal and Prime Minister Nuri Said, was ordered to report to the radio station immediately. He was then living under police surveillance and was known as a friend of President Nasser.

Effects of the coup in Baghdad

It was only when fighter planes from the air base at Habbaniya swept in to machine-gun the Ministry of Defence, 'the nest of the traitor Kassim', that the population realized that the long-awaited revolt was in progress. The reaction was just what the planners had expected; everyone rushed to turn on their radios. They were informed briefly that Fouad Aref had become the President of a new regime, which was ruled by the National Council of the Revolutionary Command, the members of which were not named. The aims of the new regime were announced as Unity, Independence, and Freedom; (these were immediately recognized as the slogans of the Ba'athist Party). Iraq, it was announced, would follow a policy of social and agrarian reform and, in the foreign sphere, of non-alignment, although the tone of the broadcast was strongly anti-Communist; friendship was offered to all the 'liberated' Arab States. The National Council proclaimed that they were strongly opposed to the dictatorship of one man, the tyrant Kassim who had betrayed the earlier revolution. It was announced that the responsibility for administering the State would, in future, be vested in the corporate hands of the NCRC.

The population was invited by the radio to come into the streets to demonstrate in favour of the new regime. They came out—and here the careful planners met their first set-back, for the demonstrators called for their leader and liberator, Kassim.

At this time, between 11 a.m. and about 2 p.m., the conspirators in the radio station must have had an anxious time, because several of the brigades and other units of the Defence Forces, which had been announced as having rallied to the NCRC, were in fact having second thoughts, and the revolutionaries had few troops in the area of the capital on whom they could positively rely. A curfew was announced at 3 p.m. and the population ordered back to their homes. Owing largely to the fact that the Free Officers began to return to their former stations and that the radio kept repeating the names of the units now 'with' them, the important armoured division entered the city in the afternoon and took up positions around the Ministry of Defence and at all the important road junctions. Some firing occurred—there was little sign of much firing from the Ministry—but the NCRC decided to change their plans, as it was already late, and to capture and execute Kassim on the following day. All frontiers and airports were closed and the only news of the *coup* came from Baghdad radio.

Early the next morning Kassim telephoned to Aref from his bunker in

the Defence Ministry and begged for mercy and a safe conduct to the Turkish frontier. Aref, who had been imprisoned and sentenced to death by Kassim, was not moved. (Even if he had been, it would have made no difference, because he was, and is, a mere figurehead of the movement.) Kassim was captured and transported with three companions to the radio station, where sound and television cameras recorded his so-called trial and execution. The film of the trial has yet to be released, but the pictures of the dead dictator and his three companions after their execution were repeated many times over the Baghdad TV screen. The man who two days earlier had been 'our glorious leader and liberator' became a 'tyrannical beast and dirty despot'—and worse.

But the role of a middle-class revolution such as this is a difficult one, as the NCRC were to realize at once. They had planned to announce the names of the members of the new Government, which they did, and to open the frontiers and admit representatives of the Arab press immediately. But the reactions of the demonstrators on the day of the *coup* had alarmed them and caused a change of plan—they wanted only favourable reports to appear in the Arabic press.

Whether Communist or not—and there is no doubt there were many well-organized Communist cells in the fertile ground of the Serifa dwellers—the hundreds of thousands of families who had come into Baghdad to look for work, and who had built themselves mud huts without water or sanitation along the railway line or in any waste space inside or outside the town, formed the hard core of Kassim's supporters. He, unlike Nuri Pasha, had never tried to control them or to send them back to the provinces from which they had come. He promised them houses with running water and drains, and he, in his turn, swore that until these promises were kept he would live with only one shirt. This technical deception seems to have been the least of Kassim's sins, but much was made of it by the conducting officer who, with some reluctance a few days later, allowed a few correspondents to look at the former dictator's small and modest flat. The bullet-proof-glass windows, which could never be opened, overlooked the Tigris, and the spy holes from the bedroom, bathroom, and other doors in the flat indicated the fear in which Kassim had lived, a maniac fear which, as it grew worse, drove him to ever greater madnesses.

Reactions to the coup

It was basically this genuine madness of Kassim's last year of power that caused the somewhat unexpected reactions to his death.

The Soviet Union and the Communists within the country appear to have regarded him as their tool. Certainly there were sixteen Soviet missile bases in the country and the Iraqi Defence Forces were being rapidly transformed into dependence on the Soviet Union not only for

every round of ammunition but for every nut and bolt. Kassim, too, was on the point of nationalizing the Iraq Petroleum Company, and it was an open secret that he had offered the Iron Curtain countries considerable concessions for exploration in the north.

When the news of the revolt reached the outside world, the immediate reaction of King Hussein of Jordan was to see an opportunity for the re-establishment of a Hashemite King on the throne in Baghdad. He ordered two brigades of the Army to the Iraqi frontier.

The petroleum companies were openly delighted, even before the new Minister for Foreign Affairs, Sayed Taleb Hussein Shabib, had stated that the regime would respect former treaties and obligations and the persons and property of all foreigners resident in Iraq. Their unofficial reaction was that any change must be for the better. Whilst Royalists in the Yemen (what was left of them) and the Saudi Arabian Court bemoaned the fact that the Ba'athist Party appeared to be in power, President Nasser welcomed the new regime. The countries of Western Europe, influenced without doubt by the oil companies, competed with one another in the speed with which they recognized Ramadan 14 and suggested the immediate exchange of diplomatic representatives.

The new Government's policy

Meanwhile, the new Government felt increasingly insecure. There were reports that a large but unknown number of the Serifa dwellers were organized and armed by the Soviet Union and there was a good deal of firing at night. King Hussein recalled his troops on their way to the frontier, and the Kurds, whose successful revolt in the north had been the basic cause of Kassim's unpopularity in the Army, remained quiet and unaggressive. But the NCRC refused to allow any foreign observers, even diplomatic ones, to enter the country. When finally members of the world's press did manage to reach Baghdad, one of the Ba'athist Ministers openly complained that the Government and the NCRC—several men served on both—were forced to devote over 90 per cent of their time to security matters. The political plans so carefully drawn up before the revolution were being shelved.

The new Government, most of whose members had spent their adult lives as rebels, made a clever move, however, in providing employment for all the middle-class students and clerks, checking identity cards and controlling traffic. They were distinguished only by their green armbands, and were all members or hangers-on of what had been the illegal Ba'athist group during the Kassim regime.

The Minister of Foreign Affairs, who previously spent eight years in London, has outlined his Government's policy with sense and conviction. He expounded the Ba'athist Party slogans of (Arab) Unity, (Sovereign) Independence, and (Internal) Freedom or democracy, and outlined the

schemes of his Government in the spheres of social and agricultural reform, and their plans for industrialization and economic development.

So far the new Government has conducted a common-sense policy forced on it by security and financial considerations. It has come to terms with the Kurds by granting a form of internal autonomy and by a promise that Kurdist territory shall benefit from a cut in the oil royalties. It immediately made peace with Kuwait, whose Sheikh is now loaning money to the new Republic.

Secret discussions have taken place between the Government and the Iraq Petroleum Company and it would seem unlikely that Kassim's law to nationalize the company will be implemented.

Diplomatic relations with the Soviet Union are strained owing to the arrest and imprisonment of almost all Communists with any qualities of leadership, but they are not strained to the point where Moscow will deny the new Government spare parts for its Russian tanks or withdraw the experts now directing the building of roads and factories in the country.

Relations with other Arab countries

In spite of the strict security precautions and the rigid internal censorship, the revolution appeared to the other Arab countries to be overwhelmingly successful and the strength of Ba'athist Parties throughout the Middle East increased as they came further into the open and proclaimed their ties with the new rulers of Iraq.

Egypt is the only country in the Middle East which has no serious Ba'athist Party. President Nasser's immediate reaction to the new regime, though he expressed warm public support for it, was realistic, and careful analysis of policy statements from Baghdad and Cairo reveals two major differences. The Iraqi Government's policy of non-alignment is more positively opposed to future co-operation with the Soviet Union than that of the Egyptian Government. Further, the Iraqis have already suffered from a dictatorship and they are now bitterly hostile to the personal rule of one man; they believe in rule by corporate responsibility. But Iraq and Egypt are united in their 'enlightened socialist policies' and in their strong opposition to the 'decadent monarchies' in Libya, Jordan, the Yemen, and Saudi Arabia.

The two rivals, the Ba'athists and President Nasser, are aware that they challenge one another for the leadership of the Arab world. Today Nasser has an advantage as he is firmly established and has become 'respectable', even in Western Europe; further, he is geographically better placed. The Algerian Republic, whose domestic political programme for socialization, industrialization, and agricultural reform is similar to that of Egypt and Iraq, is also a foundation member of the new Alliance of the 'liberated' Arab States and this further strengthens the

position of Nasser, *vis-à-vis* the Ba'athists. Nasser can count on the Yemen. There are open indications that the new middle-classes of Saudi Arabia are almost ready to overthrow the monarchy there, and both Baghdad and Cairo are already scheming to take over some of the spoils.

The new Federation

President Nasser appears to have achieved a great personal success in persuading the Syrians and the Iraqis to join Egypt in a federation, on terms which will clearly place him in full control. The first President is to be chosen by a referendum. Apart from the fact that Nasser himself is the only clearly outstanding figure in the three countries, the 26 million Egyptians form a bloc more than twice as large as the 6½ million Iraqis and the 5 million Syrians; Nasser's election would therefore seem inevitable. It is to be noted, too, that the President of what will be a new United Arab Republic is to have very wide powers during the long transitional period—twenty-five months—before the federation is completed.

But a neutral Lebanese politician observed, in the early stages of the negotiations for an Alliance of the 'liberated' Arab States, 'it is on the rocks of Damascus that the Alliance may be wrecked.' Certainly it is in the streets of those Syrian cities where the original Ba'athists have split into two groups, Ba'athists and Nasserists, that the dispute between President Nasser and the Ba'athist Party comes into the open. And to a great extent the success or failure of the new Federation depends on the establishment of a stable Government in Syria.

The initial popular reaction, as was to be expected, is highly favourable; but it is easy to evoke enthusiasm amongst Arab crowds. The question is, will the operation be completed as planned? And if it is, will Nasser's second attempt at unifying the Arab world prove more durable than the first? The answer seems to be—yes, barring fresh revolutions in those two revolution-prone countries, Syria and Iraq.

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Notes of the month

Sharing the agricultural market

LARGELY confined to Brussels for many months,[1] the battle over agricultural production and trade spread to several arenas during May. Ministers of the European Free Trade Association met in Lisbon, Commonwealth Ministers in London, the International Federation of Agricultural Producers at Bray (Ireland), and representatives of the Contracting Parties to the General Agreement on Tariffs and Trade in Geneva. It was not only the farmers who insisted on the crucial importance of finding solutions to agricultural problems.

The E.F.T.A. countries were able to agree to abolish all internal industrial tariffs by 1966 because Britain suspended the tariff on Danish butter. This put Denmark on the same footing as Commonwealth suppliers, and the concession was only possible because of assurances to Australia and New Zealand that their butter quotas would not be cut. The position now is that the quota system will continue as long as there is a danger of the market being over-supplied; all three countries are assured of not less than their present quotas, and all three have been promised a share of any increase in demand.

The British Government seems to have fastened on to this idea of sharing the market as providing a consistent approach to both national and international food policy. At home, as the February price review and the Minister of Agriculture in the House of Commons debate on 22 May indicated, it is thinking in terms of guaranteeing prices for only a specified quantity of a commodity, as has long been the rule with milk. *Pari passu* it has declared its willingness to explore the possibility of further international commodity agreements—particularly for meat and cereals, the items which cost the Exchequer most in subsidies. Obviously, in time the quantity of a commodity for which the Government will be willing to pay a guaranteed price to the home producer will be identical with the share of the market it has negotiated for him under an international agreement.

It seems unlikely that international commodity agreements based on quantities will appeal uniformly to either farmers or Governments.[2] Any sharing of the British market on the lines of the butter arrangement with

[1] See 'Agriculture and the Brussels Negotiations', in *The World Today*, February 1963.

[2] See 'Temperate Foodstuffs and the Commonwealth Conference', in *The World Today*, September 1962.

Denmark will be another nail in the coffin of Commonwealth preference. The attitude of the E.E.C., despite the pleas of Dr Mansholt, is likely to continue to be based on self-sufficiency for the Community. The U.S. attitude could be more helpful, but only if the European Community really plays its part.

France has continued to call the tune in the Community. In the haggling over the approach to the Kennedy round of GATT negotiations, she has now agreed that the Community should define its detailed attitude to the negotiations by the end of the year. Germany in return has accepted a timetable which includes specific steps—such as framing the regulations on beef and dairy products—towards attaining a common agricultural policy, also by the end of the year. France has gained something concrete: any benefit to Germany will depend on the highly problematical outcome of the Kennedy round itself.

M. Pisani, the French Minister of Agriculture, has reiterated that France has no intention of curtailing agricultural production. 'In fact,' he told a Dublin audience, 'we aim to go further in making a great increase in agricultural production and yields.' This increase will be at least partly facilitated by new measures, announced at the beginning of May, designed to induce elderly farmers to leave the land and to encourage the amalgamation of small holdings under better management.

Indications that the Dutch Minister of Agriculture is contemplating what amounts to a system of fines for farmers who produce too much milk contrast sharply with the French attitude. The Dutch aim is to cut milk production by about 4 per cent, and so bring supply into line with demand. If the scheme goes through, each producer will have a quota, and for every gallon in excess that he sends to the dairy the price will be halved.

This type of control of production is a topic of frequent debate among producers themselves. Two years ago British farmers rejected milk quotas, but if commodity agreements—for which their leaders are pressing—are negotiated, some means or other will have to be devised for dividing their share of the market among the individual producers. The exporting countries would probably find themselves faced with the same task.

The obvious danger is that quotas could lead to a rigid pattern, with no room for new entrants and no room for the enterprising to expand. Yet a stable market, with at least a share of it earmarked for their own members, clearly has attractions for representative farm organizations. Their aim is to improve their members' incomes, and to stop the slide of recent years would at any rate be a beginning.

The problem of newcomers would not be limited to individuals trying to get a start in their own countries; a similar situation would arise with a new country trying to get into the existing markets. The developing

countries raise this issue in an acute form. One of the results of aid can be for a developing country to start producing supplies of a commodity which its own people cannot afford but which is a competitive export. Recent experience with Yugoslav beef is a case in point. The beef industry in Yugoslavia (which qualifies for aid as a developing country) has been built up with U.S. help, including concessional sales of feed-grains. The beef has been sent to the British market, and a temporary agreement has had to be reached on the quantities to be shipped.

A new supplier in this way cuts into an existing market at the expense of both the importing country's own producers and its traditional suppliers. Is the importing country then to cut back its own industry to help the developing country, much as Lancashire cotton has been sacrificed to help Hongkong? Should the developing country continue to receive grain at concessional rates once it moves into normal commercial markets? Would it, in fact, be competitive without the cheap feeding-stuffs?

These are just a few of the questions that have been asked in the first stages of this new attempt to grapple with food-trading problems. Groping for solutions will go on at the World Food Congress to be held by the FAO in July, in the Kennedy round, and at the United Nations World Trade Conference scheduled for next year. One delegate to the IFAP Conference in Ireland told his audience that the treatment for agriculture's ills could not be rapid, but it must be radical. Whether either Governments or farm organizations have the courage to go right to the root of the matter should be known within a year or so.

TREVOR PARFITT

U.S. needles in outer space

THE recent U.S. high-altitude nuclear tests and the launching, a few days ago, of 400 million 'copper needles' into space have thrown into sharp relief the underlying problem of reconciling the principle of the free use of outer space with the need to ensure that any one State does not use outer space in a manner which would adversely affect activities by other States.

In an attempt to regulate this problem, a Russian draft declaration of basic principles, submitted to the Legal Sub-Committee on Outer Space in Geneva last summer, suggested that 'co-operation and mutual assistance in the conquest of outer space shall be a duty incumbent upon all States; the implementation of any measures that might in any way hinder the exploration or use of outer space for peaceful purposes by other countries shall be permitted only after prior discussion of and agreement upon such measures between the countries concerned.'

The U.S. delegation opposed this provision on the ground that it constituted an attempt to impose a veto on a State's activities in outer space. However, the U.S. representative in a later speech to the Political Committee of the General Assembly of the United Nations stated that his

Government believed that, according to established principles of international law, States should take all reasonable steps to avoid activities which restricted the free use of outer space by other countries, and it was prepared to consult with scientists of other countries whenever consistent with the national security. It considered that the possible harmful effects of space experiments should be studied by competent and objective scientific bodies, and welcomed the establishment by the Committee on Space Research (COSPAR)[1] of a consultative group for that purpose.

The Soviet Union has characterized such experiments as acts of aggression, contrary to the United Nations Charter, international law, and the U.N. Resolution 1721 (XVI) of 1961.

One might also suggest in this context the application of some form of 'nuisance' principle. Such principle (a familiar one in municipal law) is based on a doctrine of good-neighbourliness, give and take, live and let live, and requires a person not to make such use of his property as unreasonably and unnecessarily to cause inconvenience, injury, or damage to his neighbour. The same basic principle may also be reflected in allegations that activities which cause substantial interference or injury to the experiments of other States constitute an abuse of rights and a violation of the principle of the freedom of outer space.

The question whether such activities as high-altitude tests, 'copper needles', and the launching of rockets to hit Venus or Mars will cause substantial damage or interference is primarily a scientific one, and the COSPAR consultative group is to examine all experiments carried out by spacecraft which might have potentially harmful effects. However, political and security factors are also involved and render it extremely unlikely that States will be willing to submit to any form of veto in this area.

What may reasonably and legitimately be urged is that States should be obliged to submit in advance to COSPAR or some comparable body (perhaps the U.N. technical and scientific sub-committee on outer space) experiments considered likely to give rise to damage or injury. The matter should then be fully discussed and the advantages and disadvantages carefully balanced against each other. Perhaps a non-binding resolution by a two-thirds majority vote might then be taken, expressing approval or disapproval of the proposed experiments. In the latter case, if a State still persisted in conducting the experiment and substantial damage or injury ensued, that State should then be liable to pay compensation. In this manner, although such experiments could not be prevented, their full implications would be made clear, States would have an opportunity of showing how the experiments of other States would adversely affect their own projects, public opinion and pressure could be exerted, and compensation extracted.

J. F. McMahon

[1] A committee set up by the International Council of Science Unions.

French and West German strategic thinking

In recent months both French and West German Defence Ministry and Service staffs have been thinking afresh about the role and strategy of their forces, and have begun to consider changes in their strength, composition, armament, equipment, deployment, and order of battle. Although the clauses on mutual defence in the Franco-German treaty have as yet only been implemented by some rather tentative staff conferences, mostly concerned with joint production, logistics, and training, there are hopes in Paris and Bonn that real progress will be made in coming months with integrated staff doctrines, which are the essential precursor to common strategies. However, what is happening just now reflects different, rather than agreed, strategic concepts.

French planners appear to be putting the nuclear weapon in the centre of the stage and subordinating conventional forces to it, whether for the land battle or for the strategic air strike. In West Germany this idea, which Herr Strauss argued so forcefully for so long, is undergoing some fairly thorough analysis by his successor, Herr von Hassel, and by staffs who, after six years of acquiescence in nuclear doctrines, have begun now to think and speak for themselves.

It is too soon to say whether a new interest on the part of Germany in conventional forces and the defence, rather than the renunciation, of territory will survive two major objections which may be voiced in both West Germany and France: namely, political opposition to a strategy which might appear to envisage prolonged conflict, thus requiring an enlarged Bundeswehr or, for that matter, a stronger French army; and objections from the French, who might say that these new ideas are being fostered simply as a trade-off with the Americans for an effective share in the control of NATO's nuclear weapons. Despite disappointments, there is no doubt that both the Supreme Allied Commander in Europe, General Lemnitzer, and Mr McNamara, the U.S. Secretary of Defence, remain convinced of the primary importance of conventional forces. This is aptly illustrated by the latter's brisk rejection on 10 May of the rumour that he had agreed to accept a British proposal for maintaining ground-force logistic requirements for only thirty instead of ninety days. Saceur is still trying to get BAOR redeployed and retrained, let alone strengthened, to conform to the U.S. strategy.

French changes in strategic thinking are simpler to report. They reflect the now familiar and depressing obsession with nuclear weapons as solutions for all strategic problems, which has for so long characterized official British planning about Europe's defence. (The solitary French exception to that belief is General de Gaulle's insistence on considerable conventional forces for internal security, in the form of mobile brigades ready to support police and gendarmerie.) General Stéhlin, Chief of Staff of the French air force, said recently that he and his colleagues had been

influenced for many years by British nuclear policies, particularly those which assume that a threat to use nuclear weapons against a conventional attack will cause an opponent to hesitate, uncertain of whether this will in fact be done. The strategy of 'deliberate uncertainty' is, of course, in direct opposition to the current U.S. practice of stating what will and what will not be done, of which the action over Cuba is the clearest example to date.

As recently as mid-1961, when French planners were beginning to consider the role of the armed forces after the Algerian war, nuclear weapons played little part in their strategic thought about the European land battle. In any case France's NATO contribution was only two skeleton armoured divisions at Metz, instead of the four battle-worthy divisions she was supposed to provide. Total reliance on nuclear weapons was an unpopular idea. The change has been wrought by de Gaulle's belief that the army's morale will only recover from the twin effects of Algerian 'defeat' and divided loyalties towards himself by being provided with weapons as technically advanced as those promised to the air force and navy—and by his own convictions that nuclear weapons can symbolize sovereignty and frighten potential opponents. Savings in French manpower and the reduction of conscription from twenty-eight to eighteen months have also been considerations.

The French forces are still, of course, not equipped with nuclear weapons. The air force will have fifty *Mirage IV* bombers armed with a crude atom bomb by the end of 1964;[1] by no stretch of the imagination is this a credible deterrent, and if Soviet defences against low-level attack improve, the *Mirage* will be equally obsolete for executing a first-strike role. The navy will not get its missiles until 1970. The army has no nuclear artillery and little prospect of any in the immediate future, now that the British *Blue Water* missile has been scrapped. It is being re-formed into a *corps de bataille* of six divisions, which will be stationed in Alsace; two will be assigned to NATO, and a third will be available at all times for operations in support of the Governments of the former French West African territories.

Thus, although nuclear weapons may dominate thought and planning, they have made little difference as yet to the composition of the French forces. The highly theoretical nature of the French nuclear programme is emphasized by recent articles and speeches by M. Pierre Messmer, Minister of the Armed Forces. He said only last April that the role of the *force de frappe* (which he personally hopes will eventually become a European '*force de dissuasion*') is to attack 'demographic' targets. This euphemism means the largest possible city. It also indicates that the inadequacy of the French nuclear striking force, compared with those of the United States and the Soviet Union, imposes on it either this crude counter-city

[1] See 'The French Nuclear Striking Force', in *The World Today*, August 1962.

deterrent threat or a first-strike strategy. Both are 'incredible' and neither is now accepted in the thinking and practice of the two major Powers.

The new German thinking cannot be compared to this French search for national greatness through symbolic nuclear power. All that can be said at this stage is that Herr von Hassel, as a former Prime Minister of Schleswig-Holstein, is more aware of the problems of defending flat and open terrain against a conventional attack than Herr Strauss, a Bavarian, who knows that southern Germany and the area bordering on Czechoslovakia require fewer troops than the north and offer, again in theory, a role for a judiciously contrived tactical nuclear defence.

When Herr von Hassel was in London last April for talks with Mr Thorneycroft, the British Minister of Defence, he conveyed the impression that he and his colleague Herr Schroeder, the Foreign Minister, wanted to escape from the 'nuclear-or-nothing' philosophy. Again, it is important to remember not only that the factor of U.S.-German relations over the proposed NATO multilateral force probably colours these views, but also that the new men in Germany are, in domestic political terms, anxious to dissociate themselves from the belief in nuclear weapons held not only by Herr Strauss but by Dr Adenauer.

At all events, Herr von Hassel reportedly made an excellent impression in the Bundestag on 9 May, when making his first important speech in his new office. Defence experts of the Social Democratic Party, notably Herr Erler, said afterwards that the new Defence Minister was beginning to realize that nuclear weapons do not solve all problems, political, diplomatic, or strategic. Although the Bundeswehr is unlikely to expand beyond its planned twelve divisions (the eleventh, a Panzergrenadier division, is now operational), and the increase in the defence budget, by DM1,400 million over and above the DM17,000 million planned for 1963–4, is mostly for support facilities, the signs are that a genuine effort will be made in the coming months not only to think about the value of conventional strategies but also to implement them.

ANTHONY VERRIER

Outlook in Italy after the election

THE results of the Italian election on 28 April found the Communist Party stronger by 1 million votes than at the last election five years ago, with their deputies increased from 140 to 166; in fact, two in every nine Italians voted Communist. At the other end of the scale, the Liberals, representing large and flourishing business interests, small shopkeepers, the middle classes, and the landed gentry, and led by Signor Malagodi, a London-born economist who was at one time a delegate to the O.E.E.C. and then a banker, increased their deputies from 17 to 39 and their Senators from 4 to 19. Otherwise there were no significant changes, apart from gains on the part of the Social Democrats, from 22 to 33 deputies

and from 5 to 14 Senators. The Christian Democrats remained the largest party with 38 per cent of the poll, though this was a drop of several points on their previous score.

Almost to a man, the British press greeted these results with the friendly advice that now, more than ever, was the time to pursue that 'opening to the Left', so bravely begun in January 1962, by which Signor Nenni's Socialist Party (PSI) abstained from voting against Christian Democrat legislation for twelve months, in return for Prime Minister Fanfani's promise to nationalize electricity, to introduce a tax on dividend coupons, to implement the decentralization of municipal government as promised by the 1948 Constitution (in other words, to end the hegemony of rule by Prefects in close touch with Rome), and to bring in legislation (the Sullo Law) against the mounting land speculation in the cities.[1]

Unfortunately things are not so simple. This curious working arrangement with Signor Nenni certainly gave the Christian Democrats a much-needed majority for a year, but it created a great deal of trouble inside both parties. The right wing of the Christian Democrat Party fretted under it. They hated seeing their electricity shares go down (though compensation is generous on a three-year average of share prices, not on recent falls); they dreaded the coupon tax and condoned evasions by certain big companies; they believed, and still believe, that any increase in regional autonomy will create 'red republics' in Emilia, Romagna, and Tuscany; and they called the Sullo Law 'Communist expropriation'. (The two latter measures have not yet gone through.) Many of them, therefore, voted Liberal (i.e. conservative).

Inside Signor Nenni's party (which is still allied with the Communists to form the majority in 2,000 of Italy's 6,000 communes) the left wing thought the 'opening to the Left' an unreliable compromise. They largely voted Communist in the election, and the party gained only three deputies. The annual congress of the party is due to be held in July, and there are moves to advance it to June. Signor Nenni will undoubtedly make a bid to enter the Government, if the centre-left policies are to go on. Much depends on the party congress. In return for greater regional autonomy, would the Italian Socialist Party dissociate itself from the Communists in those 2,000 communes?

A difficult period seems to lie ahead for the next month or so. The right-wing press in Italy is clamouring for a caretaker Christian Democrat Government until after the Nenni congress. Signor Saragat has stated that the Social Democrats will not again serve in a centre coalition with the Liberals. In fact, the wind seems set favourably for a reunification of the non-Communist Socialist Party in the next few years. Signor Saragat and a quarter of the PSI deputies abandoned Signor Nenni in 1947 because of his unity-of-action pact with the Communists. After the Hun-

[1] See ' "Opening to the Left" in Italy', in *The World Today*, March 1962.

garian débâcle of 1956, Signor Nenni broke that pact, and reunification must come eventually.

What of the Communists? Many of their new votes may perhaps have come from disillusioned Socialists, also from a large proportion of the 2 million ex-peasants who have moved into Italian factories since the last general election, and not a few from the new young voters (there were 2 million of them), many of them middle class, who were voting for the first time. This support may well be transient. Every Communist speaker gave a tremendous welcome to Pope John XXIII's encyclical *Pacem in terris* during the last hectic election days; it is a document of forty-two pages (in *Civiltà Cattolica*), which is, indeed, revolutionary by Catholic standards.

Within the Liberal Party very considerable criticism of Pope John was voiced. Here is a Pope who has scolded no one, who has received Mr Khrushchev's son-in-law, who is getting many Communist-imprisoned prelates out of jail, and who, far from endorsing his predecessor's excommunication of active Communists, declares that it is important to open the dialogue between men of different ideologies. The Liberals also blame Signor Fanfani for having given the Communists equal rights with the other parties in the pre-election campaign on the State-owned radio and television and for having allowed for the first time unscripted political discussion.

European questions were hardly mentioned in the election campaign; the Common Market is simply regarded as big business. Stocks are falling on Milan exchange, but exports thrive and in thirty years Italy has not been so prosperous. A coalition Government will be difficult to form, however. Signor Fanfani tendered his Government's resignation on 16 May, and Signor Moro, the secretary of the Christian Democrats, has been unanimously designated by the party as leader in the formation of a new Government.

SYLVIA SPRIGGE

ERRATUM

In the May 1963 issue, p. 194, lines 18 and 19, should read 'Colonel José María Lemus in El Salvador in 1960'.

The strategic embargo: an obstacle to East–West trade

ROBERT OAKESHOTT

ONE of the problems which the cold war throws up—and one which, indeed, any cold war would throw up—is that of trade between the two 'sides'. Because of her much greater dependence on foreign trade (as well as for other semi-ideological reasons) the problem has tended to attract more attention in the United Kingdom than elsewhere in the Western alliance. Particularly since the Brussels breakdown and in the subsequent search for other expanding markets for British goods, people have been looking again at the obstacles in the way of increasing British trade with the Eastern bloc. They have been asking how many of these obstacles are inherent in the economic and trading potential of the bloc and how many are the result of political or strategic restrictions imposed from this end. In fact, as we shall see, the main factors inhibiting the expansion of trade between Britain and the Eastern bloc are probably of the first kind rather than the second. But that, of course, does not necessarily justify continued British support for those remaining restrictions which Western countries still impose upon themselves—both collectively and individually.

The U.S. and British points of view

Broadly speaking, there are two extreme views that can be taken about these restrictions. The first, which is basically the view of the United States, seems to have its origin in a doctrine of economic cold warfare. In its most naïve and extreme form, this doctrine opposes any Western exports to countries of the Eastern bloc on the ground that these exports must inevitably assist in the build-up of economies which are essentially 'in the enemy camp'. In trade with Cuba and Communist China, U.S. policy does, in fact, reflect the economic cold-warfare view in this most extreme form; the ban on U.S. exports to these countries (though not to the rest of the bloc) is a total one. Since the Governments of the two countries are regarded as being irreversibly opposed to the United States, all exports to them are necessarily 'strategic exports', and must therefore be banned.

There is, at the other extreme, the liberal and sceptical view about the restrictions the West imposes on its exports to the Eastern-bloc countries

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and it is this view which is favoured in Whitehall. British policy-makers begin by asking whether economic warfare can ever be effective and whether it is to Britain's net advantage to take part in it. Reverting to experience in the second World War, they argue that the cost of economic warfare (for example, when an economic belligerent buys up or 'pre-empts' massive supplies of raw materials in neutral countries in order to deprive the enemy of them) may be difficult to justify in terms of its effects. Similarly, in the present case, they argue that Britain may well hurt herself more than she hurts the Eastern-bloc countries when she deprives them of British exports and so deprives herself of the money or goods which they would send in return.

Of course, in the limiting instance of newly developed and high-potential military equipment, everyone agrees that it would be absurd to make a sale to an Eastern-bloc purchaser. No one is suggesting that Britain should sell a hydrogen bomb to China. And no one would suggest that an anti-missile missile (should such a weapon be developed first in Britain) be sold to a Government of the Eastern bloc. In the context of the cold war—and, indeed, in any context of power politics—it would clearly be absurd to make a sale which could decisively tilt the balance.

The more positive side of the British attitude to restrictions is, of course, that they inhibit the normalization of relations between West and East. The basic premise here is the familiar one that there is no necessary reason why the cold war should ever get hot and that every effort must be made to reduce cold-war tensions rather than the reverse. One way of doing this is to make relations with the bloc as normal as possible. Subject, therefore, to certain minimal and essential safeguards, such as not selling a hydrogen bomb to China or an anti-missile missile to Russia, Britain should seek to expand her exports to (and, indeed, her two-way trade with) the bloc as far as possible. Two-way trade is never any sort of insurance against war, as the situations prior to 1914 and 1939 showed. But contacts and communication, most people would concede, are desirable in themselves, and trade is a particularly important case in point.

Strategic embargo lists

Needless to say, the restrictions under which British exporters operate in their trade with the Eastern bloc are the result of a compromise between the British and U.S. points of view. Officially, it is true, exports are only restricted (by appearing on the 'strategic embargo lists') if they have been judged to contribute directly to the bloc's strategic potential. In fact, however, a number of items still figure on these lists although their strategic significance is highly challengeable. It is also true that embargoing may always take place, as in the recent steel-pipes controversy, outside the framework of the present list. But a word should first be said about how the lists came into being and how they have evolved.

Most, if not all, Governments have at their disposal legislative authority for controlling the export (and, indeed, the manufacture) of military equipment. During the late 1940s, as Soviet post-war policy gradually came to be understood, individual Western Governments took it upon themselves to impose restrictions on exports to the Eastern bloc—restrictions which were not necessarily confined to actual guns, bombs, or aircraft and the like but which also covered certain strategic raw materials and manufactures. Then, at the time of the Korean war, it was decided that these restrictions should be concerted and that—even if individual countries wished to impose their own additional controls—a general list of controlled items should be agreed. The argument was, first, that only by means of such a list could effective control be achieved and, second, that it would be inequitable that exporters in one Western country should be forbidden to make a sale while exporters in another were allowed to do so. However, since each country was free to impose its own additional restrictions (as the United States still does), it is clear that this second equity argument was not pushed beyond a certain point.

Some time in 1950, in any case, a series of strategic embargo lists was agreed by all members of the NATO alliance with the exception of Iceland. (Iceland was left out, presumably, because she is not a producer of any of the embargoed items.) But the embargoes could not be given a formal NATO setting, because the group of embargoing countries was extended to include West Germany (not then a NATO member) and Japan. Instead a body was set up known as the Co-ordinating Committee on Export Controls (Co-Com). Co-Com was, and is, essentially, a piece of administrative machinery on which Governments are represented by civil servants. It receives its political instructions, when these are necessary, from the so-called Consultative Group. This group has broadly the same relationship to Co-Com as the NATO Council has to the NATO Secretariat.

Originally, and in the context of the Korean war understandably, two main and distinct strategic embargo lists were agreed to—the first, and milder of the two, restricting exports to the Soviet Union and the European satellites; the second, and more severe one, restricting those to Communist China. (Officially the Chinese list was administered by a separate body, China-Com, but to all intents and purposes Co-Com and China-Com were the same.) Then, in 1958, and after Britain had finally refused to continue to be bound by the China list, the two were amalgamated and restrictions on China trade were liberalized so as to become no more severe than those previously applying in the case of trade with the Soviet Union. To complete this section of background information, one might add that after successive liberalizations (the main ones coming in 1954 and 1958) there are now 120 embargoed items on the list, excluding those which are classified either as munitions or as atomic-energy items.

A breakdown of these 120 items (any of which may contain numerous subdivisions) is shown in the following table:

STRATEGIC EMBARGO LIST BREAKDOWN
(classification as in *Board of Trade Journal*)

Electronic equipment including communications and radar	34
Chemicals, metalloids, and petroleum products	18
Scientific instruments and apparatus, servo-mechanisms, and photographic equipment	14
Metals, minerals, and their manufactures	11
Chemical and petroleum equipment	10
Transportation equipment	9
Metal-working machinery	8
Electrical and power-generating equipment	7
General industrial equipment	7
Synthetic rubber and synthetic film	2
Munitions	20
Atomic energy	25

It is over these 120 items—as well as over embargoing disputes outside the context of Co-Com—that the difference of general policy between Britain and the United States emerges. The list is periodically reviewed (at the moment at annual intervals, though there is a suggestion that it might happen more frequently); and it is open to any member country to bring up cases either for removal or for addition. The unanimity rule is observed on these occasions. Consequently any one Government can always block an addition but, equally, any one Government can always block a deletion. From what is known about their basic positions, it can be assumed that it is the British who normally veto additions and the Americans deletions.

Definition of strategic significance

Very little of what goes on in the actual review sessions at Co-Com is ever reported in the press. (In general the official policy of enveloping the whole affair in secrecy goes to such a point that spokesmen of the British Foreign Office have sometimes declined to acknowledge the existence of Co-Com.) However, the results of the reviews appear with the subsequent publication of new lists (in the British case in the *Board of Trade Journal*). In recent years changes have, in fact, been of a minor order and have mainly concerned specifications rather than overall items.

But despite the mystery surrounding the actual Co-Com sessions it is not difficult to infer what occurs there. Since it is accepted Co-Com doctrine that those items, and only those items, which are of direct strategic significance should be embargoed, the argument must in a sense be about definition: what is and what is not of direct strategic significance. Accepted as evidence in these arguments is the proportion, as between military and non-military purchasers, of sales of the item in question in

present non-embargoed markets; and the 'availability or otherwise of the relevant technology and know-how'. If, for example, it can be shown that the technology on which a piece of equipment is based has been published both in the bloc and in the West, and—even more—if it can be shown that the piece of equipment is already in production in the bloc as well as in the West, then, of course, the case for deletion is patently strong. The only exceptions would be actual armaments, and they would be covered by the criterion of the ratio between military and non-military sales. And though it is very doubtful whether the West gains anything by embargoing the export to the bloc of simple munitions, such as dynamite, for instance, there is no active pressure to get these items removed.

In fact, it is only fair to concede that pressure for removal and for further liberalization now comes, after the liberalizations of past years, from only a narrow range of British industries. The electronic- and radar-equipment manufacturers feel that their export sales are hampered by remaining strategic restrictions. So do the scientific-instrument makers and the companies specializing in the latest communications equipment. There may, in addition, be individual companies in the machine-tool industry who have strong feelings. Some or all of these are now preparing 'deletion' cases (on oscillographs, to give a concrete example, and certain types of digital computer) for submission to British government departments and for subsequent raising—if the Government thinks fit—at the next Co-Com annual review session in November. But this little list in effect exhausts the class of British industries and companies which are seriously agitating in favour of further reform.

All these arguments reinforce the original point that it is not mainly the strategic restrictions which inhibit the expansion of British exports to the Eastern bloc. Indeed, so far as the actual embargo lists are concerned, it is doubtful whether their elimination tomorrow would produce any net addition to the value of Eastern-bloc purchases in Britain. What would happen, in those circumstances, is that Eastern-bloc countries would probably switch a proportion of their present spending to items previously embargoed. That certainly is what happened when the China list was amalgamated with the milder list in 1958. In the upshot the electronics and related industries would no doubt benefit; but to what extent, and at whose expense, it is impossible to say. Total British exports to the Eastern bloc amounted to about £120 million last year, of which between £3 and £4 million worth was accounted for by scientific instruments and computers.

It is true and important, as indicated earlier, that the strategic embargo lists are only one of the 'non-economic' restrictions theoretically inhibiting an expansion of British exports to the Eastern bloc. Materially more significant may well be the indirect effects on British exporters of the much tougher U.S. restrictions which are imposed by the so-called Battle

Act enacted in 1951. This is because the Battle Act restricts the export to the bloc—from third countries as well as from the United States—of items which incorporate American components or American know-how. It is reasonably well known, for example, that the Russians have been making inquiries for some time, both in Britain and elsewhere, about the possible supply of complete carbon-black factories and, more recently, about a complete oil refinery. However, British companies are unable to make any offer in either of these cases because anything they built would have to incorporate American know-how.

The case of steel pipes

There is also, finally, always the possibility that the Americans may try to get international agreement for specific *ad hoc* embargoes outside the framework of Co-Com. This, indeed, was what happened in the recent case of steel pipes. Large-diameter steel pipes were disembargoed by Co-Com as long ago as 1958 after the reluctant acceptance by the United States that a case had been made out showing that the pipes were not of direct strategic significance. Realizing last year that under the unanimity rule they were unlikely to get them re-embargoed in Co-Com, the Americans then decided to raise the matter in the forum of the Economic Advisory Council of NATO. Their case in the Council was that the pipes (which were being supplied to the Soviet authorities by German steel makers) were to be used for the so-called 'friendship pipeline'. The pipeline, they went on to argue, was of strategic importance because it was going to carry Soviet oil as far as East Berlin and could thus be used to supply Soviet forces in East Germany. For various reasons the British found this argument unconvincing. Since the unanimity rule also applies in this forum, it would have been perfectly in order for the British delegate to veto the U.S. proposal out of hand. Rightly or wrongly, it was decided instead that Britain would simply register her disagreement, and her refusal to be bound by the embargo. With this qualification, the resolution was carried and accepted as binding by the other NATO Governments. And there for the moment the matter rests—leaving open the possibility that the Russians will order a similar batch of pipes from Britain. (Such a development is, however, far from certain, especially since the Russians are believed to have the facilities to make the pipes themselves with a delay of no more than a few months.)

But even when account is taken of these other non-economic and 'extra-Co-Com' restrictions, the total inhibitory effect on British exports is not sufficient to construct a balance-of-payments argument for abolishing all but the barest minimum of controls. Exports to the bloc countries, after all, account for no more than 3 per cent of all British exports. The removal of restrictions might conceivably lead to *some* net increase in bloc purchases; it might, in other words, produce some new orders as well as

a switching of orders to previously embargoed items. But, at the very outside, it seems unlikely that the net increase would push British sales to the bloc up to more than £150 million, or a gain of £30 million on their present level.

The bilateral basis of Russian trade

These conclusions are based on evidence that the bloc countries seem to make it almost a rule that they must balance their foreign trade with the West on a bilateral basis. If they are to buy more in any Western country they must first sell more. True, there are occasional exceptions to this, when for political or other reasons a bloc country chooses to run a deficit with a particular Western trading partner.

It is a fact, also, that in the case of Britain the Russians choose to adopt the sterling area as the relevant bilateral unit with which exports and imports must be in balance. Russia therefore normally sells more to Britain than she buys from her, using the extra sterling for purchases of Malayan rubber and tin and the like. Finally, it is true that Russian gold production and stocks are probably such that—especially if longer-term credits are available—she could afford, if she chose, to run an appreciable overall deficit with the West for some years.

But when all these reservations have been made the central conclusion still stands, namely that, restrictions or no restrictions, British exports to the bloc are never likely to get far ahead of British purchases there, if, indeed, they ever reach a sustained balance. If Britain wants to sell more she has got to buy more. And in this context it is worth recalling that the primary purpose of the recent British trade delegation to Russia was to discuss possible new outlets in Britain for Russian exports.

The empirical approach

This brings the argument back again to the two contrasting Western 'philosophies' of how one should regard trading with the 'other side' in a cold war. For just as the Americans want to limit exports to the bloc on 'strategic' grounds, so they are inclined to talk about the 'strategic dangers' of any 'dependence' on bloc sources of imports. Here again one can, of course, fully agree with them in the limiting case. For a whole host of political and economic reasons it would be quite absurd if Britain were to consider any major switch to Russian oil imports, for example, and away from her traditional suppliers.

But no serious politician has ever suggested such a switch. What has been mentioned recently is the possibility of a specific Anglo-Russian deal in which the Russians would place some contracts in British shipyards in return for Britain's purchasing a negotiated quantity of their crude oil. As a matter of fact, it now looks unlikely that a bargain will be struck. But the point is that deals of this kind fit in with a generally

empirical approach to the problems of East–West trade. No doubt, on the question of British imports, there are special problems—just as there are on the export side—and the danger of drifting into a position of appreciable dependence is only one of them. (Another is the problem of protection against dumping—which is obviously especially acute in the case of highly capitalized Western industries which can be seriously damaged by dumping.) But the point here is that it should be quite possible to take account of these dangers and protect oneself from them within the framework of a generally liberal approach.

Within certain limits, at any rate, this seems to be the right course for Britain. Membership of an alliance must always impose some disciplines, and there is a point beyond which it would be unwise for Britain to antagonize her allies, and particularly the United States. She might well, for example, lose more than she would gain by withdrawing from Co-Com and imposing on her exporters only a minimal embargo list. Perhaps, after all, her role in the Western alliance is to continue to urge it towards more liberal positions on East–West issues (not, of course, forgetting that on certain United Nations and Central African issues her recent record is a good deal less liberal than that of the United States). What that role implies, in the context of this article, is that Britain should remain within Co-Com but that she should go on pressing as hard as possible for further liberalization from within. Equally, on the import side, and given the obvious need for wariness—she should go on helping the bloc countries to find markets for their goods.

And one final plea—could the quite excessive mystery surrounding Co-Com be stripped away? More information for the general public would be most welcome—and not, surely, strategically dangerous.

The revolutionary situation in Colombia

E. J. HOBSBAWM

THE thesis of this article is that the history of Colombia in the past fifteen years can be understood only in terms of the failure, or rather the abortion, of a classic social revolution. From at least 1930 onwards, by a coherent historic evolution, a social revolution was in preparation in Colombia which ought logically to have produced something analogous to *Fidelism*, a populist left-wing regime working closely with the Communists. In fact, this movement reached its climax, a plainly insurrectionary situation, at a moment when the taking of power was feasible. More than this: insurrection actually broke out spontaneously in April 1948 and was freely supported by the police of Bogotá. But there was no one to direct and organize it. The populist movement of Jorge Eliécer Gaitán, being entirely unorganized, was decapitated by the assassination of its leader; the Communists did not recognize what was happening until it was too late. In consequence the country subsided into the state of disorganization, civil war, and local anarchy which has obtained during the last fifteen years.

The situation in Colombia today is therefore far more significant than most students of Latin America have supposed, not merely because a straightforward advance towards a classic social revolution is very exceptional on that continent and because the degree of spontaneous mass mobilization achieved in Colombia, especially in the years from 1948 to 1953, is greater than anywhere else in the history of Latin America, with the exception of Mexico. (The *Bogotazo* of 1948 was, by all accounts, the most impressive spontaneous insurrection of the urban poor, and the mobilization of peasant guerrillas—and virtually *all* guerrillas in Colombia were and are peasants—has been incomparably greater than in Cuba, for instance.[1]) The main reason why the Colombian situation was and remains so crucial is the fact that Colombia is a country which can make a decisive difference to the future of Latin America, whereas Cuba is not

[1] There is no solid statistical base for the estimates of Monseñor Guzman in his book *La Violencia en Colombia* (Bogotá, 1962) that there were at one time up to 30,000 armed guerrillas in action in the country. But it is a fact that, during a mere five days of 1953 at the end of the civil war, 6,500 rebels laid down their arms; this is a considerable figure for irregular forces.

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likely to do so. Colombia is a large country; in terms of population it is the fourth largest in the continent, and, at the present rate of increase, will soon have passed Argentina to become the third largest. It is a rich country with a potentially balanced all-round economy. Its situation makes it the strategic link between the Caribbean and Central America and at least the Andean mass of the South American continent. It borders on Venezuela, on Ecuador, on Peru, and on Brazil, that is to say, on countries several of which are ripe for upheaval. And it would be far harder to bring pressure to bear upon a Colombian revolution than upon a Cuban one.

That Colombia, in common with most Latin American countries, with the possible exception of Argentina and Uruguay, contains the raw material for a social revolution both of the peasantry and of the urban poor is patently obvious. As in other Latin American countries, the problem is not to discover inflammatory material but to explain why it has not yet burst into flames, or—as in the Colombian case—why, having spontaneously flared up, it has settled back into a smoky mass showing only an occasional glimmer.

Background to the present situation

Modern Colombian history can be said to begin with the slump of 1929; and 1930 marked the opening of a new political era, with the return of the Liberals to power.

Colombia has had a rather special political structure with a stable two-party Liberal–Conservative oligarchy; this structure has to a large extent excluded the usual forms of *caudillismo*, and has also—and this is exceptional—sunk deep roots among the rural peasantry. In Colombian terms, therefore, political evolution has tended to proceed not by leaving the traditional parties high and dry as islands of the rich, but by infiltrating and transforming them. Thus, between 1930 and 1948 the Liberal Party was transformed into a people's party, partly through its adoption by the rising urban, industrial, non-*comprador* middle class, which, as usual, was boosted by the collapse of the cash-crop economy, and partly through the deliberate effort made by a New Deal wing of the traditional Liberals to capture the political awakening among the urban and, to a lesser extent, the rural poor.

Alfonso Lopez, perhaps under Rooseveltian influence, pursued this course with great success in his Presidencies from 1934 to 1938 and, to a lesser degree, from 1942 to 1945. More important, the independent populist mass movement organized by Gaitán moved back within the orbit of Liberalism, out of which Gaitán had himself emerged; in fact, Gaitán eventually captured the Liberal Party in 1946. It ought perhaps to be added that the Communist Party, also founded in 1930, tended to operate under the general wing of the Liberal New Dealers. It was not, however,

particularly influenced by Gaitán and his supporters. For various reasons, it treated *Gaitanism* with deep suspicion until too late, and this, as it turned out, was a decisive error.

This trend in Colombian politics undermined the entire basis of the two-party oligarchy, for it threatened to turn the parties into social movements and, what is more, to transform the Liberal Party, with its appeal to the poor, into the permanent and overwhelming majority party.[1] This development can be regarded as the root cause of the civil wars of 1949–53. Faced with virtual long-term eclipse, the Conservatives had to fight back, and, after the insurrection of 1948 had shown them the full danger of their position, they did so by means of a systematic attack on the Liberal regions of the country, combined with a deliberate conversion of the State apparatus, notably the police and the army, into a Conservative vested interest. Incidentally, a good deal of the savagery of recent years may be due to the same fear. It has been suggested to the writer by competent local sources that deliberate attempts may have been made to intensify the partisan hatreds between Liberals and Conservatives, in order to forestall the emergence of divisions along class lines.

The civil wars and the Pinilla dictatorship

In April 1948 Gaitán was murdered, and an insurrection broke out almost immediately. It was met by a national coalition of the two parties, that is, by a switch of the moderate Liberals to the Conservatives; this move was opposed by the left-wing Liberals and by the *Gaitanistas* and produced wild dissension within the party.

The coalition broke down shortly before the 1949 elections. The Conservatives attempted to seize their chance of a deeply divided Liberal Party to establish their own power. This could be done, however, only by extra-electoral methods, especially since the Liberals were still strong enough, though only just, to win the 1949 elections. The army was purged of Liberals, and all administrative and military means were used by the Conservatives, under the right-wing presidential candidate Laureano Gómez, to render Liberal politics impossible and to smash the Liberal strongholds in the countryside. The countryside had already been considerably disturbed since the death of Gaitán, and the Conservative attack produced, in effect, a movement of Liberal self-defence, ranging from the spontaneous formation of peasant guerrillas against government forces and strong-arm squads to the collective dissidence of entire Liberal regions, such as the Llanos Orientales. The civil war soon developed beyond a mere armed party struggle. Broadly speaking, at its peak it involved all the inhabited areas of the country, with the exception of the

[1] The Church and certain traditionally Conservative areas, like Boyacá, would probably have kept a certain following among the peasantry for the Conservatives, though probably not much in the cities.

Atlantic and Pacific coastal zones. The Conservative regime moved steadily towards a semi-fascist dictatorship.

In 1953, however, the military, under Rojas Pinilla, took over the Government in order to end an intolerable situation, for by then it was clear that the experiment of right-wing government under Laureano Gómez had been a total failure. The civil war was ended by an amnesty, and political life was at least formally re-established at the centre, though only as a sort of adjunct to military rule.

But Rojas's dictatorship also failed. Rural violence was resumed after 1954, though only in a limited sector of the country, and it became clear that Rojas's attempt to introduce a regime modelled on a kind of *Peronism* was entirely hopeless. It lacked the essential basis of populist military rule, namely mass support, the Colombian masses being, not virgin soil politically, but traditionally Conservative, Liberal, or, in a minority of cases, Communist. Rojas also lacked the other asset common to Latin American dictators of the early 1950s such as Perón and Odría, namely, ample reserves of foreign exchange or the support of a boom in the price of the basic export commodity. Coffee prices (on which 95 per cent of Colombia's foreign exchange depended) fell from 80 cents a pound in 1954 to 45 cents in 1958. Moreover, Rojas's mismanagement of the economy did not help. By 1957 there was a severe exchange crisis, and it was necessary to cut imports heavily. The Church abandoned its support of Rojas, the two parties formed a solid bipartisan front in exile, and in 1957 the dictatorship fell and the present regime took over, ostensibly as a temporary measure.

The conclusion of the civil war can therefore be explained in very similar terms to its beginning. The civil war was in danger of turning into social war. In the Llanos Orientales, for instance, it began as the armed self-defence of a solidly Liberal region against the Conservative Government and was organized by the ranchers, led by the ranch foremen, and fought by the cowhands and peons. But within a short time the social cleavage within the Plains people began to trouble their leaders: the war against Bogotá showed signs of turning into a war against the cattleless men, who favoured social change. The magnates preferred, therefore, to make their peace with the capital, once they had secured a guarantee of non-interference. Since 1953 the Llanos have been quiet, though they are now said to contain a strong Communist underground.

It is worth adding that, in the course of the war, a few Communist areas—notably the important and strategically situated so-called 'Republic of the Tequendama', within a few dozen miles of Bogotá—made themselves virtually autonomous, though the more orthodox among them made no attempt to do more than prevent the incursions of all outsiders, governmental or otherwise.

The dictatorship of Rojas Pinilla in 1953 put an end to the civil war, but

unrest revived again. In 1957, however, the two traditional parties agreed on the twelve-year truce under which Colombia is still governed. Only Liberals and Conservatives can now stand for election (although, in an arrangement rather reminiscent of Uruguay, organized political groups within each party can put up candidates, and the Communist Party, though disfranchised, is legally tolerated). Liberal and Conservative Presidents alternate.

This truce arrangement has greatly reduced the *violencia*, though it has recently tended once again to revive, this time entirely free from party loyalties though encouraged by the mere fact of elections. It is, however, fairly certain that the Liberals are and will remain the majority party—in 1960 they gained about 1½ million votes against 1 million for the Conservatives—the balance now being made up by the conservatism of the armed forces.[1] The revolutionary element has passed to the support of the so-called Revolutionary Liberals under Lopez Michelsen, the son of the New Deal President, and such members of the extreme Left as were or are elected, such as the peasant leader Juan de la Cruz Varela of Sumapaz, have sat or are sitting as *Movimiento Revolucionario Liberal* (MRL) deputies.

The situation today

What has been the consequence of the civil war and the rural unrest which has persisted ever since? In effect, it has been to destroy the attempt, made during the Conservative era, to set up effective centralized administration. At present the only genuinely all-Colombian organization with the power to enforce its central orders locally and to collect income from the whole country is the Church (which is, of course, a Conservative vested interest). A semblance of central administration exists, but it depends largely on a *de facto* withdrawal of the Government from certain purely local functions, which are left to the local administration—in some instances Communist, in most Liberal or Conservative. This situation, reminiscent of medieval feudal States, is perhaps no worse in Colombia than in several other Latin American countries, though the geographical complexity of Colombia makes it appear rather more obvious.

[1] The superiority of the Liberals is shown by the figures for the elections for councillors between 1930 and 1946, when the party split for a time. For example:

	Liberals in 000	*Conservatives* in 000
1935	436	234
1937	424	209
1939	472	227
1941	504	286
1943	480	236
1945	482	283

In other words, the Liberals averaged double the Conservative vote. After 1948 the statistics are not worth as much.

What, in terms of the forces which might have been expected to support a social revolution, is the situation today, fifteen years after the *Bogotazo*? In the cities, which have grown at an unbelievably rapid rate—the five largest have together doubled in population in the past ten years—all is quiet. Gaitán is dead, and no leader capable of mobilizing the urban poor has emerged. The urban and industrial labour movement has been split, through demoralization and ideological or cold-war divisions, into three main groups: the Colombian Labour Federation linked with the International Confederation of Free Trade Unions, a Catholic body, and an alliance of the surviving Communist and independent unions.

In the countryside the situation is different, for *violencia* has not been eliminated, but is endemic in five or six departments—Valle, Tolima, Caldas, and the adjoining parts of Huila, Cauca, and Cundinamarca, as well as in sections of Antioquia and Santander-Boyacá. It is dormant in a great many other places. Fifteen years of anarchy have turned it into an institution or a racket—sometimes, as in the coffee areas of Caldas, strikingly similar to the Sicilian Mafia, in so far as it is an organization of the rural middle class working for economic ascent. It is not an institution aiming at social revolution. Recently, however, abandoned by both the two great political parties, the surviving groups of brigands and the new groups constantly forming from among the second generation of violent men have been discovering a mission to fight for the poor against the rich, and it is said that Communist influence has increased among them. This is true only in a very qualified way, however. The Communist Party has no enthusiasm for the brigands, even when they are not frankly anti-red, and shows the utmost reluctance in its contacts with them.

The Communist areas

On the other hand, the quasi-autonomous Communist areas and nuclei persist. They are of three kinds. First, the 'Republic of the Tequendama', which is similar in social structure to the neighbouring area of *violencia* lying between it and Bogotá. Its population consists of former small tenant-farmers who forced the landlords to sell them their plots before the war. It has become a sort of Communist William Tell Switzerland, consisting of independent 'cantons', such as Viotá, run by an admirable party functionary and former brewery-worker, Victor Merchan, and Sumapaz, run by a grassroots peasant leader, Juan de la Cruz Varela, who has passed successively through the stages of Liberalism, the Communist Party, *Gaitanism*, his own agrarian movement, and the Revolutionary Liberals, which appear to be in his case a camouflage for more advanced views.

This area adjoins the second type of Communist stronghold, consisting of the empty spaces stretching from the mountains towards the plains and the Amazon basin. These have gradually been settled by independent

groups of peasant pioneers, who, as masterless men, have much sympathy for Communism. In these inaccessible territories of the Metá and the Caquetá there are guerrilla training bases and other centres, such as the training base for the Sumapaz people on the Rio Duda, in the El Pato area of Metá, and in Belen (south-west of Florencia). There are also some Communist centres in Tolima (Villarica, Icononzo, Chapparal), and some—less active than before—in the Indian zone of Cauca. The third Communist stronghold is the semi-underground nucleus in the Llanos Orientales.

Communist areas are armed, organized, disciplined, with a regular system of administration, education, and law, and are invariably recognizable because, even in the middle of areas of bloodshed, they are free from *violencia*. Their chief advantage lies in their attraction for the neighbouring peasantry because of the evident efficiency and justice of their arrangements; the best expert in the field, Monseñor German Guzman, considers that they may become increasingly attractive. Their chief weakness is the very spontaneous peasant character which gives them their appeal; for, in fact, their political horizon is completely local, if left alone they concentrate on their own region, and hardly even challenge the higher levels of administration and economic activity. Viotá, for instance, lives in a state of informal coexistence with the central Government.

Seizures of land

However, a more direct form of agrarian agitation has recently revived, namely, the occupation of land. This development is strikingly similar to what is happening all over Latin America, and it has no direct correlation with *violencia*. The move to occupy land, whether spontaneous or organized by the Communists, has not occurred to a great extent in the coffee zone of small tenant farmers which is the centre of *violencia*, but mainly in the *latifundist* zones of the south, Nariño, Cauca, Huila, part of Tolima, and—a new phenomenon, or rather a revived one—on the Atlantic coast in Bolivar, Atlantico, and Magdalena. The seizures are undertaken less by landless labourers, who are, on the whole, a rather passive class all over the continent, than by sharecroppers and tenants.

The chief characteristic of this activity is that it cuts entirely across politics. Thus, at the end of 1961, in the Cunday area—part of the old zone of influence of the Tequendama and Juàn de la Cruz—Conservatives, Liberals, Communists, and priests united to invade the estates, and the owners preferred (as in very similar situations in Peru) to retire to the city.

Broadly speaking, the areas with active land-occupations are the ones in which the Government has decided to implement agrarian reform. With the exception of a zone in Santander, all the nine projects of

agrarian reform under way in 1962—partly colonization (as in Nariño and Antioquia), partly division of estates (as in Cunday)—affect such areas. This fact, incidentally, underlines the weakness of all Latin American plans for land reform from above; in general the only means of actively bringing about the implementation of such plans is through active agrarian unrest.

The situation among the students

As regards the last of the insurrectionary classes, the students, the present situation in Colombia is quiet. Unlike several other countries of Latin America, Colombia has not seen a striking left-wing movement among students in the past two or three years. The Left (including the MRL) is distinctly in a minority in Bogotá, and even in the Universidad Libre, a secular and quite strongly Marxist-oriented institution, *Fidelistas* form less than half the student body, as they do in the most politically minded faculty of the Universidad Nacional, Law and Economics.[1] The general mood of left-wing intellectuals appears to be pessimistic and disoriented, though student strikes, spreading from one university to another as in 1962, are popular and influential.

One important fact must be noted, however: between 1948 and 1958 the number of university and secondary-school students rose by about 140 per cent. In 1958 there were more than 19,000 university students. Moreover, several new universities have been founded in various cities, thus constituting several new centres of potential revolutionary activity.

The political parties

What is the present situation of the parties and such other political groups as exist? There is, in the first place, evidence that all parties have been somewhat weakened. Thus in the elections of 1960 only 4·4 million voters registered out of 7 million, and only half of these voted. In 1962

[1] Percentage of students approving of various political figures, July–September 1961.

(*a*) *At various universities.*

	Nacional	*Andes*	*Javeriana*	*Libre*
For: Castro	28·6	15·8	24·5	48·3
Lopez Michelsen	27·4	12·8	30·0	41·1
Kennedy	71·3	86·8	75·5	44·1

(*b*) *Faculties of the Nacional, Bogotá.*

	Natural Sciences Engineering Medicine	*Education Psychology Sociology*	*Law Economics*
For: Castro	25·6	23·3	44·4
Lopez Michelsen	23·9	21·4	49·3
Kennedy	74·6	73·3	54·4
Betancourt	36·2	27·1	21·7

(*c*) *Percentage of students from upper and upper-middle class.*

Nacional	*Andes*	*Javeriana*	*Libre*
14·3	50·0	56·6	1·7

(R. C. Williamson, *El Estudiante Colombiano*, Bogotá, 1962.)

the percentage of the total electorate actually voting was also only about half.

The Liberal Party is, broadly speaking, divided between the official Liberals of Lleras Restrepo and the MRL of Lopez Michelsen, which is to some extent, though against much internal resistance, also the legal front for the disfranchised Left. (Juan de la Cruz was one of its first leaders and sat for it in the Chamber.) The MRL scored an unexpected success in 1960, gaining 20 per cent of the Liberal vote, and an even greater success with 36 per cent of the vote in 1962. Its strength lies in the countryside and in the medium-sized towns with Liberal traditions, and perhaps also in its links with guerrillas and ex-guerrillas who have considerable political power locally. In the big cities it failed lamentably in 1962. Its appeal is broadly *Gaitanist*, though Gaitán's daughter, who has tried to revive his movement, is usually in opposition to it. It manœuvres carefully between identification with the *Fidelistas* and Communists and opposition to them which might cause the loss of their support. At present the tendency is to the Right. It is thus a coalition of revolutionaries and reformers; its leader, Lopez Michelsen, is perhaps to the right of his father and certainly no revolutionary. In so far as the Left has a mass expression, however, it is through the MRL.

The Conservatives have one major asset, the support of the Church, though its actual allegiance to this or that politician or (Conservative) movement is unofficial and conditional. Beyond that the party is fragmented, in the main between the bipartisan followers of Ospina Perez and the right-wing *Laureanistas*. The former dictator Rojas is also a power to be considered. It is perhaps misleading to read too much social significance into the eighteenth-century type squabbles between political clans and connections, since personal relations, family loyalties, and tactical alliances between local blocs probably have a major influence in such combinations. Of late they have once again tended to combine.

It is, however, probable that outside the electoral framework a socially conscious wing is forming somewhere within Conservatism, composed perhaps largely of young Falangist intellectuals and officers. In the circumstances of Latin America, such a quasi-fascist Right may quite easily turn into a potentially social-revolutionary force, as it did in Bolivia, or throw up a strong Nasserist current, as in Peru. It is true that the Colombian army has not the tradition, common to several other Latin American countries, of military *coups* and officer-*caudillos*, but the breakdown of the party system has once already put a General—though perhaps rather a reluctant one—into temporary power: Rojas Pinilla in 1953–7. It may do so again. The persistence of the *violencia* rather militates against this possibility, however, for attempts to control it keep the army occupied. However, the air force and the navy have little to do with the *violencia*; but the navy seems unlikely to develop revolutionary tendencies.

The Communist Party, very much smaller and more localized than the other two parties, is weakened by internal dissension and also by lack of central control over outlying districts. Its leadership, under Gilberto Vieira, is of the orthodox stamp, but the party has never reached the stage of monolithism, and remains not far removed from the early phase when groups split and remerge as the political situation changes. At present the chief dissidents are intellectuals who consider the party policy too moderate, though until recently Maoism seemed to have very little influence. Beyond them there are the *Fidelistas*, the name being largely a synonym for left-wing opposition to the Communists. They have formed a *Frente Unido de Accion Revolucionaria* (FUAR), a coalition of various local groups with the revived *Gaitanism* of Gaitán's daughter and son-in-law, which appears to be its directing force. It is probable that a few *Fidelist* groups remain outside it. All these attempt to instigate direct action and to link up with existing guerrillas. The FUAR is composed entirely of intellectuals, and so far its activities are not of great moment.

Outlook for the future

It cannot be said that any existing political party or movement is likely at present to succeed in rousing the masses, or that any individual leader has gained a national reputation such as that of Gaitán. (The existing non-Communist leaders belong to the traditional political families, such as Lleras or Lopez or Ospina, with all the accompanying advantages and limitations this implies.) The MRL is the nearest thing to a mass left-wing movement, but its sphere of influence is limited.

It is possible, indeed probable, however, that the rigid framework of bi-partisan rule will be broken by a joint defection of Conservative and Liberal malcontents, and that full party agitation will resume before the official end of the truce. Another possibility, in this or a different situation, is some sort of military dictatorship. There are left-wingers who pin their hopes on the reaction against such a dictatorship, but this is merely another way of expressing their pessimism about the actual situation.

It seems clear that the net result of the aborted social revolution of 1948 has been to produce a disorganized anarchy. Superficially the situation looks stable, but this is plainly an illusory phenomenon, for beneath the surface social change is taking place at a staggering rate. The population, as mentioned above, is increasing fast; over the past decade it has risen by 27 per cent. The urban population is rising even faster. By 1970 the population of Colombia will be predominantly urban, and, what is more unusual, divided between several giant cities: even now Bogotá, Medellin, Cali, and Baranquilla each have upwards of half a million inhabitants.[1] The living conditions of the working class are poor, as is shown

[1] Bogotá has eleven universities, Cali two, both founded in the last ten years, Medellin two, and Baranquilla one.

by the fact that Colombian urban workers spend a higher proportion of their income on food than Brazilian workers, and a rather lower proportion on clothing than even their neighbours in Ecuador. There is evidence that in the big cities, and notably in Bogotá, the standard of living of the working class has deteriorated. The capital has, for instance, a lower *per capita* consumption of proteins and calories in general than all but one of the major cities of the country, and, after Cali and Pasto (Nariño), shows the widest gap between middle- and working-class consumption.

It is inconceivable that this situation will not sooner or later lead to a revival of mass unrest in the capital, and, for that matter, in the other cities. Industrialization is modest and relatively slow: the percentage of industrial workers in Colombia, in comparison with the rest of the South American continent, is higher only than that in Bolivia, Paraguay, and Ecuador.

The disintegration of traditional rural society is proceeding at an accelerated rate, as the rush into the cities demonstrates; and the structure of land tenure and the standard of agriculture remain archaic. It is too early to judge the possible effect of agrarian reform, which is for the moment planned mainly to affect one or two particularly critical zones.

Above all, the conviction that something must change, and radically, is universal. Though the students are relatively passive, 82 per cent (91 per cent after their first year) are convinced of the need of such a change; and 72 per cent would be *Gaitanistas* if Gaitán were alive. Moreover, over two-thirds approve of university strikes.

It is difficult to predict the form of the political and social change that is likely to come or its consequences. But any observer who believes that Colombia is living through anything but a pause of exhaustion is likely to have a very sharp awakening.

The plight of Malta

RICHARD COX

Everyone is agreed about the problems in Malta today. Politically, independence has become an inevitable demand; economically it spells, at the least, severe difficulties, at the worst, ruin. Both the political demands and the economic realities spring from the Services' rundown, which is due to be completed by 1967, and which has made the Maltese feel that Britain is abandoning them. Had there been no demand for independence, responsibility for the future might have been forced on Britain more inescapably than it is now. But pride and a feeling of being let down, coupled with the hope that other countries may step in to fill the breach with aid, have made independence an electioneering necessity, as much for the governing Nationalist Party as for the Opposition.

Empire is what the Maltese have been fed, clothed, and housed on for so long that the unbalance of the economy was until recently forgotten. Malta's exports earn £5 million a year; her imports cost £29 million. The balance is made up from spending by the Services. At present there is no alternative prop for an otherwise highly developed economy and there are no natural resources apart from people and scenery. Removing the Services from Malta is very like removing the hull from a ship and then expecting the superstructure to float.[1]

The first British official to make any public calculations has been the present Governor, Sir Maurice Dorman. In a notable speech on 2 February he made it clear that by 1967 one-fifth of the country's income will have gone and at least 20,000 people will be out of work. Furthermore, this is a conservative estimate, for the figures will be even greater if certain basic expectations are not achieved at the same time, namely, that 4,500 new jobs will be created and that 22,000 Maltese will emigrate. Meanwhile, the bill for social services is going up. This year's budget spends £550,000 on National Assistance alone, against £342,000 last year—an increase of 63 per cent. The total bill for emigration, social welfare, and assistance is now over £1,900,000.

The gravity of this situation is now realized, but there is still no agreement on how to deal with it. Indeed, there seems much truth in the assertion that 400 years of having had their minds made up for them by others

[1] The Development Plan for 1959–64, published in 1959, stated that annual Service expenditure in recent years had been at the rate of about £20 million compared with an estimated gross national product of £40 million.

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—the Knights of Malta, Napoleon, the British—have stultified the Maltese people's own capacity for action. It is, therefore, greatly to the credit of the Prime Minister, Dr Borg Olivier, that he is trying hard to awaken in them a sense of urgency.

Background to the present situation

Political events of the past few years have not helped. In April 1958, Mr Mintoff resigned from the Prime Ministership and disturbances forced the Governor to declare a state of emergency, which lasted until the 1947 Constitution was officially revoked in January 1959 and affairs were put in charge of a Governor's Council. This Council ruled until the elections of February 1962 were held, under a new Constitution based on the Report of a Commission under the chairmanship of Sir Hilary Blood, published in March 1961.[1] The Commission had particularly urged that there be a means of preventing Maltese politicians from misusing power for party purposes, and that the Governor's position should 'be approximated to that of a Constitutional Monarch'.

The new Constitution, which created a British High Commissioner to look after British reserved interests in defence and external affairs, met with strong protests from all Maltese political parties, and when Dr Borg Olivier's Nationalist Party won the elections in February 1962 he only agreed to take office subject to certain reservations. Before the opening of Parliament on 26 April 1962 he spent four weeks in London discussing modifications to the Constitution with the Colonial Office. As a result, there were amendments to the clauses dealing with control of the police, the Public Service Commission, the appointment of judges and magistrates, and certain lesser matters. The substance of Dr Borg Olivier's complaint was that the Prime Minister now enjoyed less power than he had previously. There is no question that this Constitution accentuated the demand for independence. In practice the past year has seen an increasing number of decisions left to the Maltese, especially in external affairs, even though they nominally pertain to the High Commissioner.

The 1962 elections gave Dr Borg Olivier's Nationalist Party 25 seats, Mr Dom Mintoff's Labour Party 16 seats, and Dr Herbert Ganado's Democratic Nationalists and Mr Pellegrini's Christian Workers' Party 4 seats each. The Hon. Mabel Strickland was the only member returned by her own Progressive Constitutional Party. The election manifesto of both the Nationalists and the Labour Party had demanded independence, the former within the Commonwealth, the latter outside it. Miss Strickland, Mr Ganado, and Mr Pellegrini all expressed doubts about the desirability of independence when the island is still economically dependent on Britain, and some of their followers still wistfully remember the idea of integration with Great Britain. Mr Ganado's position has since

[1] Cmnd. 1261.

changed only to the extent of not wanting independence without a clear and workable economic plan for the island's future.

Mr Dom Mintoff, the strength of whose Labour Party is reinforced by the powerful General Workers' Union, is still widely admired as an energetic politician who gets things done, and a substantial worsening in the island's position might bring him back to power. He appears, however, to have no more of a complete solution to the island's current problems than anyone else. He does not want Commonwealth membership and, though officially uncommitted on the subject of a defence treaty with Britain, he frequently refers to the bar it places on friendly relations with such neutral countries as Egypt. He sees Malta as 'a Switzerland in the Mediterranean' and declares that 'we have to be free to look around and use our political freedom to help solve our economic problem.' What this boils down to is the hope that some friendly country will agree to buy some manufactured product it needs on a long-term contract from Malta —the contract then giving the confidence necessary for the industry to be established. He apparently thinks of such contracts coming from countries that are, or would be, politically sympathetic to Malta's position, such as Egypt or Yugoslavia, for instance.

While disappointed by the Afro-Asian Solidarity Conference in Tanganyika in February, which he attended, Mr Mintoff is still strongly allied to the tenets of positive neutralism. He also remains bitterly hostile to the Church, particularly since a recent move by him to re-establish relations with the Archbishop was rebuffed.

By contrast, Mr Borg Olivier's Government is on excellent terms with the Church, which, as ever, exercises great influence in the island. He intends to keep Malta in the Commonwealth and to negotiate both defence and economic treaties with Britain. A conference on these subjects is expected to be held in London this year, if details of a revised Constitution can be hammered out beforehand. One thing is certain—that Britain will henceforward be asked to pay rent for the base in Malta, probably between £5 million and £10 million a year. Even so, in Dr Borg Olivier's words, 'the difficulty will be to balance the budget in the next five years. We have been completely ruined by the Services' rundown.'

The truth of this is sadly evident. For 400 years Malta's basic industry has been her strategic position in the Mediterranean, and since 1802, when she asked the British forces to stay on after they had ousted Napoleon, Britain, and latterly NATO, have been the only customers she had or needed. The seventeen-mile length of the island is dotted with barracks; indeed the latest married quarters for the army, planned sixteen years ago, are only now being finished. But most of them stand empty. The last military operation mounted from Malta was the 1956 Suez expedition. Already the army is run down to a large headquarters and one

battalion of infantry. The air force, though likely to go on using landing facilities and to bring crews out for training periods in the ideal weather conditions, has relatively few Malta-based staff.

The navy's rundown, however, has been the biggest blow, as might be expected. Today only a handful of ships are in the Grand Harbour, and by 1967 the naval establishment will have been reduced to a forward operating base employing only 2,000 Maltese instead of the present 5,500. At the same time the naval personnel stationed in Malta are thinning out. Since unemployment in any small community is cumulative, the effects are serious. Every Maltese dismissed by the Services causes a falling-off in local spending, and every Service family that leaves and is not replaced puts servants and others out of work, as well as diminishing the volume of local trade.

The dockyard question

That is why dockyard employment is such a touchy subject. Before the Admiralty handed over the ship-repairing part of the dockyard to Bailey (Malta) Ltd on 28 March 1959, they employed 12,000, of whom approximately half were in ship-repairing. With the rundown of the supply services, it has become politically essential for Bailey's—or whoever runs the dockyard—to keep the level of employment up. In Dr Borg Olivier's words, 'whoever agrees to a reduction in the dockyard has had it'—a colloquial expression, but none the less exact for that; the dockyard is the sacred cow of Malta's politics. Furthermore, the General Workers' Union, which controls the majority of the dockworkers, would not hesitate to cause trouble if it thought it would put Dr Borg Olivier out of office and Mr Mintoff in. It has already demonstrated its power by keeping a new deep-water quay out of operation for a year. The maintenance of the level of employment was a condition in the contract for converting the dockyard to civilian use, and this Bailey's have done, although it is generally agreed that an economic level of employment there would be between 2,500 and 3,000. However, the actual conversion of the dockyard—which is equally essential for Malta's future, and to which £7½ million was allotted in the 1959–64 Development Plan—only began, two years late, in February 1962, and is unlikely to be finished in less than another two years.

For this work C. H. Bailey Ltd of Newport had formed a new company, Bailey (Malta) Ltd. Early on there was disagreement over certain of its financial transactions, notably the transfer of £650,000 of pension funds out of Malta on the ground of possible nationalization by a future Maltese Government. After an investigation by Sir Richard Yeabsley, Accountant Adviser to the Board of Trade, the company agreed in December 1960 to appoint Sir Richard and two others as independent directors. All three resigned in April 1962, whereupon the Colonial Secretary appointed Mr

J. B. Muirie to inspect the books of the company. He completed his inspection in August 1962, though his report was not published until the House of Commons ordered it in February 1963.[1]

In November 1962 a writ was served on Bailey (Malta) Ltd by the Attorney-General. This claimed repayment of the £3½ million advanced up to that date and alleged that Bailey's had failed to carry on their business efficiently and properly. Further payments towards the dockyard's conversion were suspended. Bailey's replied with a writ against interference and a complicated legal battle is now in progress in the High Court. In February 1963 a Council of Administration, under Sir Eric Millbourn, took over control of the dockyard from Bailey's. The Malta Parliament has by legislation vested financial control of the dockyard in the Council, who will continue to act until the litigation between the Government and Bailey's is resolved. The most recent move is that the Council has appointed Swan & Hunter Ltd as managing agents of the dockyard.

Economic planning

Despite this acrimonious situation, the dockyard inevitably dominates Malta's economic planning, as it is the principal industry and the island is generally agreed to be ideally situated for a ship-repairing centre. At the same time the development of light industry, of tourism, and of emigration is being stepped up. Unhappily there has been a certain amount of complacency about the island's development plans. In January 1959 the British Government announced its intention of contributing a sum of up to £29 million over the next five years towards a capital development programme, the conversion of the dockyard to civil use, and the encouragement of new industries. The Malta Government's first Development Plan for 1959–64, published in October 1959 and drawn up with the close co-operation of the Colonial Office and the advice of an economist on the staff of the International Bank, appeared excellent on paper.[2] It aimed at the expenditure of £32 million, £3 million to be raised in Malta, and the creation of 7,000 new jobs. In fact, only 1,000 jobs have so far materialized, while it has proved almost impossible to use so much money properly when the island lacks natural resources. At the moment £13 million, consisting of an £8 million development grant and a £5 million Exchequer loan, remains unspent, and Dr Borg Olivier has been unwilling to take up further loan money because of the burden its repayment will place on the island. He also feels that the plans made by the Colonial Office were not always those which an independent Maltese Government would have chosen. As a result, the Colonial Office has per-

[1] Published by H.M.S.O. for the Colonial Office (H.C. 131).
[2] *Development Plan for the Maltese Islands 1959–64.* Department of Information, Malta, 1959.

mitted a reallocation of these remaining funds, and it is to be hoped that they will soon be used.

The offers of a ten-year tax holiday to business men setting up factories in the island, coupled with direct grants to help them, have not been as successful as the planners hoped. There have been a few serious failures, such as the Rambler car-assembly plant, which was intended to supply vehicles to the North African and Middle Eastern markets, but which went bankrupt after producing only some 200 cars. Despite the success of two textile factories, a bacon factory, and one or two others, the overall effect of the Plan has been disappointing.

Professor Stolper, who holds an Economics Chair at Michigan University, has spent three months of this year in Malta, under the auspices of the United Nations, doing the groundwork for the next five-year Plan. In his view there is a pressing need for improved secondary and technical education, for reorganization of the Public Works Department and the tax authorities, and for the establishment of an Industrial Development Corporation to take over the responsibility of bringing new industry to Malta. His report has not yet been published but seems destined to provoke a certain amount of agonized rethinking in Maltese government circles. His criticisms are likely to prove valid; it is known, for instance, that the income taxes for 1949 are still being collected.

It would also help the island if there were more inducements offered for the Maltese to invest at home themselves. There is at least £95 million invested abroad, mostly in Britain, but Maltese financiers are extremely reluctant to repatriate it. Both light industry and tourism could use a great deal more private initiative and capital. The skill of Maltese workers is considerable and the kind of project most suitable for development is the manufacture of transistors for export, a product needing skill but not incurring heavy freight rates. Diamond-cutting is already going well.

Need for emigration

Even if development succeeds in creating 4,500 new jobs by 1967, emigration will still need to reach the annual figure of 12,000. 'Luckily,' the Minister of Emigration, Mr Zammit, has remarked, 'the Maltese are an emigrating kind of people.' None the less it is not always easy. The immigration quota for Australia has just been increased to 3,000 a year, and an Australian government representative heads a selection team in Valetta, while the Australian Government subsidizes the travel expenses of half the quota to the extent of £30 per person. Canada, who is highly selective in her immigration policy, takes 500 skilled workers a year and also sends a selection team at intervals. About 1,000 leave annually for the United Kingdom. There are also hopes of sending families to Belgium, while this spring the first batch of unaccompanied skilled workers left for German factories. Both the Government and the Emigration

Commission of Catholic Action are earnestly trying to find new outlets, but this is a form of export that brings many social problems in its wake.

It is impossible to pretend that the island can make ends meet without continued British aid. The balance will still be precarious even if all the hopes of more jobs, of emigration, and of work coming to the dockyard are fulfilled. Maltese overtures to other countries, notably to West Germany, have not been productive of substantial aid. The Prime Minister's latest visit to Italy in early March has resulted only in an Italian firm deciding to set up a third textile factory, and it is clear that it will be by such small steps that other countries will help out. It will be hard for Britain to refuse the financial demands certain to be made at the conference this year. Malta's loyalty to Britain has been clearly enough demonstrated in the past, most recently by her scornful refusal in May 1963 to admit a U. N. team to investigate conditions in the island.

On the surface the Maltese are prosperous, vastly so compared with their neighbours in Sicily. They have 30,000 cars and 20,000 television sets in a population of 330,000. A shipyard worker earns about £9 a week without overtime. Schoolchildren get free milk. In a word, they are still enjoying a high standard of life while on the verge of catastrophe. If the catastrophe comes, Dr Borg Olivier's Government is likely to fall and Mr Mintoff to introduce policies which, for all her declining interest in the island, Britain can hardly welcome. Nor should the British Government desire the discredit that a bankrupt Malta would bring upon her. As they reach independence, strictly speaking long after their turn, the Maltese deserve well of Britain.

Two views of the Central African Federation
I. Constitutional realities

J. A. LEMKIN

THE Federation of Rhodesia and Nyasaland may be dead, but its constitutional form rules Britain from its grave. African politicians in the Northern Territories, who treat the Federation as dead, assume that its powers have withered away and its political influence has ceased. For European politicians, however, power is and will be exercised through

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the Federal Constitution until that authority is revoked by the only party that has power to do so—the United Kingdom Parliament. Britain is thus faced with the dilemma of relating the conflicting political aspirations of the present leaders of the Territories to the constitutional reality of the Federation.

Even today each Territory is at a different stage of constitutional advance. Each, therefore, has a different interest in the degree to which the Federal powers are dismantled, rearranged, or allowed to fall into disuse. Nyasaland has responsible government and Dr Banda has been working for some time on the assumption that federation is dead. The Territory has little geographical or economic identity with the Rhodesias; its public utilities, railways, post office, and health service can be taken over by the Nyasaland Government without grave functional problems in relation to the other Territories. The two main matters of concern for Nyasaland, arising out of the dissolution of the Federation, are the reallocation of the Federal debt and the right of free entry of Nyasaland British-protected persons to either of the two Rhodesias.

Northern Rhodesia does not yet have responsible government, her ministerial system being later in development than that of Nyasaland; in general, therefore, she cannot so easily ignore the continued constitutional existence of the Federation. Much of the Federal Company Tax is paid by Northern Rhodesian companies, and so long as the Federation has power of taxation these companies will find it difficult to disobey its taxing precepts. The power system of Kariba operates for the benefit of both Northern and Southern Rhodesia, as does the Federal railway system, and, whatever bold plans may be envisaged, it is clearly not possible for Northern Rhodesia to disassociate herself overnight from her main source of power and her main channel for exports.

Southern Rhodesia has had internal self-government since 1923, and has claimed that she would have become a fully independent State in the late 1950s had it not been for federation. She cannot, however, claim to have as of right any powers that are exercised by the Federal Government, and to this extent she is certainly a dependency of the United Kingdom. It must be pointed out, however, that some of the powers exercised by the Federation, namely the power to tax and the power to raise local defence forces, were ceded by the Southern Rhodesian Government to the Federation in 1953. Southern Rhodesia has recently had a new Constitution imposed on her by the British Government. This Constitution contains a dynamic element as regards the franchise and the provisions for disallowing racially discriminating legislation. It does not, however, require a review of all past legislation; therefore, whilst new racially discriminating legislation cannot be introduced, the Government is under no obligation to reform the past racial laws, including the Land Apportionment Act.

It is axiomatic that the Federation will be dissolved and that the British Government alone has the power to revoke or vary the Order in Council which established the Federal Constitution under the Rhodesia and Nyasaland Federation Act of 1953. When the Federation is totally dissolved the question of secession will no longer arise, as there will be no entity from which to secede. It is assumed, however—and, indeed, it was envisaged in the preamble to the Federal Constitution—that independence is to be the goal, and there can now be substituted for independence of the Federation independence for each constituent Territory.

Reallocation of functions

Mention should be made of the 1957 Convention between the British and the Federal Governments, in so far as it has a bearing on what the United Kingdom might seek to do in relation to reallocating the Federal powers to the Territories, although nothing in law turns on the pledges of the Convention. In the joint announcement after the meeting between the British and the Federal Governments it was stated that:

> The United Kingdom recognizes the existence of a convention applicable to the present stage of the constitutional evolution of the Federation, whereby the United Kingdom Government in practice does not initiate any legislation to amend or to repeal any Federal Act or to deal with any matter included within the competence of the Federal Legislature except at the request of the Federal Government.

If for 'Federal Government' the words 'Territorial Government' were substituted, then some guidance might be obtained over the question of reallocation of powers, but, notwithstanding this point, it is clear that constitutionally the United Kingdom can deal with the Federal powers in whatsoever manner she regards as desirable.

In considering the break-up of the Federation, it would be well to examine the allocation of functions that took place in 1953 when the Federation was created. The powers were divided into three categories—those that were left with the Territories; those that became exclusively Federal; and those that became concurrent. Exclusive Federal functions included the direction of the economy, the raising of taxes and external loans, the control of public utilities, external relations (so far as permitted by the United Kingdom), citizenship, and defence. Higher education and European education also became Federal concerns, and this turned out to be a divisive racial issue which caused a great deal of anxiety because, in fact, it inhibited the growth of multiracial technical colleges. European agriculture in Northern and Southern Rhodesia also became a Federal matter, and this again ran contrary to the spirit of partnership.

Whether the Federation were to continue in some form or not, it is worth recalling the four basic principles which the Monckton Commis-

sion considered should determine the allocation of the functions of government:[1]

1. Matters affecting the day-to-day life of the inhabitants should be Territorial concerns.
2. No matter should be divided between the Federal and Territorial Governments on a racial basis.
3. The Federal Government should be responsible for all matters connected with external relations, including trade relations.
4. The Federal Government should enjoy the basic and necessary means to regulate the economy of the Federal area, and taxation should be regarded not only as a means to raise revenue but also as an essential instrument of this control of the Federal economy.

If the Federation is dissolved, it does not necessarily follow that the constituent parts will thereupon become independent States nor that, even if they did become independent States, all their powers should be exercised independently of each other or of the British Government. The British Government could play a part, certainly prior to the independence of the Territories, in looking after those powers which the Monckton Commission regarded as suitable for the Federal Government. The Monckton principles could well be borne in mind, therefore, when considering to what extent certain matters, which were Federal, should revert to the Territories.

Secondary and higher education: it is clear that all secondary education (this means European secondary education) should revert to the Territories. In the Northern Territories this would result in an African demand for the integration of secondary schools (in accordance with the call for removal of racial discrimination). As to higher education, it would be right to gear the university and technical college system to the demands of the region rather than of each individual Territory, and educationalists would argue that there is a case for having a University of Central Africa, perhaps with complementary branches in each of the Northern Territories, or certainly in Northern Rhodesia. Whether this is politically possible is another matter, but there is a case for suggesting that, whilst the power relating to higher education should be passed back to each Territory, it should be subject to the setting up of a Council for a University of Central Africa and a Central African University Grants Committee. There is no reason why the British Government should not be a partner with the Territorial Governments in supporting such a Council and such a Grants Committee.

European agriculture: as African agricultural systems are modernized, the integration of the European and African agricultural systems is certainly desirable. In Northern Rhodesia, where there is little land hunger

[1] See 'Some Reflections on the Monckton Report', in *The World Today*, December 1960, and the Report, Cmnd. 1148.

and the Land Apportionment Act of Southern Rhodesia does not apply, no difficulties would arise if European agriculture were passed back to the Territory. The reversion of European agriculture in Southern Rhodesia also is constitutionally possible, but would lead to a duplication of the work of the Agricultural Department because of the present Government's intention to preserve the Land Apportionment Act. In handing back European agriculture and secondary education in Southern Rhodesia, the British Government would have to decide whether it required the Southern Rhodesian Government to honour the present Constitution and to move towards racial integration in these two fields. The British Government has the right to require Southern Rhodesia, in accepting these powers back, not to introduce legislation to deal with them that would be on a racially differentiating basis.

Public utilities: some of the public utilities are necessary and profitable; others were expanded for prestige reasons at the instigation of the Federal Government. The Nyasaland Government, for example, is not interested in Kariba, as it has its own power system and would, therefore, wish to take back powers concerning the production of electricity and generating power. The Northern Rhodesian Government, whilst deploring the amount spent on Kariba, does require power therefrom, although, if political reasons pressed, the copper belt could be powered from the Congo. If the Northern Rhodesian Government wanted to use the Kariba power, it would want to have an influential position on the Board and particularly over pricing policy. The Southern Rhodesian Government would want the same, and a clash of interests seems inevitable. There is, therefore, a case for constitutional control in respect of power to pass to the British Government and for it to re-create the Power Board, keeping for itself a controlling vote.

Taxation: the power of collection of taxes should be vested in the Government most closely associated with the needs of the persons and companies taxed, and there is a case for giving each Territory the power to tax, subject to the acceptance of liability for the cost of any common services accepted and for the servicing of apportioned Federal loans. The Territories' right to negotiate loans is one which the British Government might seek to limit.[1] There are two issues involved here. First, the Territories will have to accept, or have imposed upon them, an apportionment of the Federal loan burden; for this an Apportionment Commission will have to be set up in which the British Government has the casting vote. Secondly, the Territories must accept the fact that new external loans cannot be raised without the consent of the British Government, simply because the British Government will be acting as guarantor of each of

[1] The British Government is the ultimate guarantor of funds to the extent of £57·7 million borrowed by the Federal Government externally or by Statutory Boards and Commissions of the Federation.

the apportioned Federal debts, and as guarantor it is entitled to impose a limit on the borrowing powers of a constituent Territory. Of course, it could not impose such a limitation after independence.

Britain's residual responsibilities

The matters dealt with earlier in this article concern the reallocation of functions, most of which are best absorbed by the Territories. There are, however, a number of functions that can perhaps best be carried out by the British Government, particularly if that Government were prepared to take a dynamic and not merely a liquidatory role in Central Africa. There are four such matters, at present controlled by the Federal Government in its exclusive list: (*i*) economic planning, including the question of continuing the Central African area as a tariff-free common market, (*ii*) the employment of the ex-Federal civil servants, (*iii*) the controlling of the defence forces and airfields, (*iv*) external relations.

Of these subjects, defence and the civil servants are the most contentious. It may well be difficult to resist the demand of Southern Rhodesia for her defence forces and airfield to be returned to the Territorial Government, but, these matters having been put into the exclusive Federal legislative list, they cannot be handed to the Territories without legislation by the United Kingdom Parliament, be it by Act or Order in Council.

The Federal defence forces consist of a regular army, together with territorials, and some air force personnel. These forces have all taken an oath of allegiance to the Queen and any use made of them is as a result of powers delegated by the British Government to the Federal Government. Should the Federal Constitution be revoked and no more done, then the powers of raising and maintaining the defence forces would revert to the British Government to be exercised in accordance with the procedures prevalent in Britain for raising the army and air force. The British Government would then have the constitutional power to disband any unit of the Rhodesian forces, or temporarily to delegate the constitutional control over such units to a Territorial Government or to the Governor of a Territory that was not yet independent. In either of the latter two cases, so far as Southern Rhodesia is concerned, the troops would in effect be under the control of the Southern Rhodesian Government, because the Governor of Southern Rhodesia would refer to this Government for instructions in relation to the troops.

As to the civil servants, once the Federation ceases to exist the contract of employment of the Federal civil servants ceases and an awkward situation could arise. As many of the civil servants would be required to deal with the hand-over of Federal powers, it might well be considered desirable to set up a statutory authority responsible to the British Government for employing those civil servants who were required on a tempor-

ary basis and who could not be absorbed by the respective civil services of each Territory.

Agreement amongst the Territories in Central Africa would be a precious commodity. Without it the British Government will have to use all the powers in its constitutional armoury to see that those tasks at present executed by the Federal Government are effectively carried out in the interim period before the Territories achieve independence. The pattern of control will have to be varied. In the case of inter-State matters, including the direction of the economy, there is a case for Britain playing a purposive role through the agency of a Commissioner. Britain should certainly not be deterred from her responsibility in Central Africa by the hybrid forms of the future constitutional associations in that part of the world.

The second article in this series, 'The Situation in Southern Rhodesia' by Theodore Bull, Editor of the Central African Examiner *in Salisbury, will be published in the July issue of* The World Today.

Reconstruction and development in Greece

THOMAS ANTHEM

UNDER the impetus of the five-year Plan initiated by the Karamanlis Government in 1960, Greece is rapidly leaving behind the stigma and status of 'a backward and under-developed country'. This is evidenced by the figures with which the Prime Minister confronts his Opposition critics; but also the least observant foreign tourist may see for himself, in and around Athens, abundant proof of the remarkable changes that are transforming the country. Apart from the new hotels and roads to deal with the expected increase in tourism, an impressive assortment of new industrial plants indicates the Government's aim to make the economy less dependent on agriculture, and to enable Greece to compete more favourably with products in demand in the European Common Market.

The Common Market, with which Greece became associated at the beginning of November 1962, is at once the climax and the focal point of her economic hopes and aspirations.[1] This link-up is an event which the majority of Greeks regard as 'a historic opportunity'. Failure to have

[1] See 'Greece and the European Economic Community' and 'New-found Political Stability in Greece', in *The World Today*, April 1961 and March 1962.

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joined the Six would have left Greece isolated, following a precarious economic existence amongst Communist Balkan neighbours, with whom her trade is very limited; moreover, within the E.E.C. she feels politically more at home.

Greece came to the bargaining table of the Six with an impressive case. She had achieved considerable political and economic stability, with the drachma one of the soundest currencies in the world; a balance of external payments devoid of short-term problems; a rise of 63 per cent in the national income during the past six years; and a high rate of public investment in productive works. Between 1955, when Mr Karamanlis first formed his Government, and 1961, the national income rose from 59,243 million drachmas (84 drachmas to the £) to 96,712 million drachmas, an increase of 63·2 per cent; in the past year it has risen to an estimated 100,600 million drachmas, or 69·8 per cent over the 1955 figure. Taking into account an increase of about 13 per cent in the cost-of-living index, the actual rise in incomes, and consequently the improvement of living conditions, has been one of the greatest in the world.

Nevertheless, Mr Karamanlis has been careful not to paint any false pictures. He has frequently pointed out that the *per capita* annual income in Greece is low in comparison with that of the more advanced countries of the West. In 1961 it stood at $354 as against $230 in 1955, but, in comparison, that of France was $1,030, Germany $1,060, and Italy $650; on the other hand, the figures for Spain, Portugal, and Turkey were $270, $240, and $180 respectively, while that for Egypt was below $150. The Government has succeeded, in fact, between 1955 and the end of 1962, in raising the income of working people by 80·7 per cent, and this increase, attributable as much to increased employment as to higher wages, is far greater than the 63 per cent rise in national income.

Despite the fact that Greece is burdened at present with 400,000 unemployed or under-employed, private deposits in the banks provide striking testimony of the healthy growth of the economy, and of the confidence of the people in the national currency. By October 1962 these reached a new high level of 23,156 million drachmas, as compared with barely 2,732 million drachmas in 1955. There was an increase of 4,661 million drachmas in private deposits during the year ending October 1962 as compared with an increase of 1,964 million drachmas in the previous year, notwithstanding the fact that during this period a State loan of 1,000 million drachmas and a Public Power Corporation loan of 500 million drachmas were issued and fully covered, as well as share and bond issues by private enterprises.

A number of measures have been taken by the Government to improve the position of Greece *vis-à-vis* the Common Market, to enable private enterprise to move more freely, and to facilitate the export of industrial products to the important centres of Western Europe. Among these are

the abolition of so-called 'permits of expediency' which were issued by a special committee and restricted the establishment, extension, and modernization of industrial units; a wide extension of credits; and a reduction in electric-power rates. The construction of more factories, the training of technical personnel, and the attraction of foreign capital are the order of the day. But the Government, leading business men, and all intelligent Greeks realize that, if Greece is to reap the advantages of association with the Common Market and the plans for industrialization are to succeed, a drastic change of business mentality is called for. Greek industries have hitherto been run mostly as family concerns, and there has been an aversion to combining and co-operating, even when such methods were obviously productive of more profit and saving over costs. However, the verdict of a conference last December of Ministers, bank managers, and heads of credit institutions that industry alone could be decisive in coping with the organic weaknesses of the Greek economy, such as unemployment and under-employment, appears to have been taken to heart by all concerned.

Progress in agriculture

This does not mean that agriculture, which still absorbs the bulk of Greek labour, will be neglected; on the contrary, industrial development is expected to have a beneficial effect by creating a greater demand for agricultural produce, and by drawing off from the land the surplus reserves of labour. With the mechanization of Greek farming, more intensified methods of cultivation are being adopted, with U.S. help, to make the utmost of the country's small supplies of good arable land. Two remarkable achievements may be mentioned which underline the headway that has been made. Greece is a predominantly rice-eating nation, but she is now growing rice for the first time in sufficient quantities to have a small exportable surplus. Sugar-beet factories have also been built, resulting in reduced sugar imports and a consequent annual saving of many millions of dollars.

During the past three years good progress has been made in the establishment of new industries directly connected with the processing of agricultural produce; sixty-four such projects have been set up, representing an investment of 240 million drachmas, financed by the agricultural co-operatives in partnership with the Agricultural Bank. They include milk-pasteurization and refrigerating plants, wine factories, fruit- and vegetable-canning factories, olive-oil refineries, and cotton presses. Special importance is attached to the construction of hygienic and up-to-date dairies, of which eight will be ready this year; it is estimated that these will be sufficient to absorb the total production of milk during the next four or five years. The construction of ten large refrigerator cars for the transport of fresh fruit, vegetables, and meat is intended to meet the re-

quirements of the export trade, as well as the home market, in the years immediately ahead. The national economy will benefit by a saving in foreign exchange of about $20 million, whilst employment will be provided for some 5,000 additional workers. The Agricultural Bank is employing the services of Swiss and Italian experts to supervise the working of these new industries and numbers of young Greeks are being sent abroad for training.

Greece is much less favourably placed agriculturally than the other Balkan countries. Lack of land is, in fact, the country's major problem. Only one-quarter of the total of 9 million acres is arable, and of this not more than 1½ million acres are highly productive and only 950,000 acres irrigated. The average Greek family holding does not exceed 35 stremmas (four stremmas to the acre). Climatic conditions are also not very favourable.

There are at present sixteen major land-reclamation projects, and many smaller ones, in progress for the irrigation of 3,630,000 stremmas, the draining of 3,260,000 stremmas, and the protection of 1,275,000 stremmas against floods. A recent survey has shown that there are also about 1½ million stremmas of land which, by the clearing of scrub, could be made available for cultivation. New land to the extent of 475,000 stremmas has been brought under cultivation in recent years. It is estimated that by 1968 the total area under irrigation will be 7 million stremmas, compared with 3,100,000 in 1955. A process of land redistribution, to end the existing uneconomic system of scattered agricultural holdings, is being carried out in various parts of the country.

Credit facilities to farmers have been greatly extended. Short- and medium-term loans by the Agricultural Bank rose from 2,619 million and 455 million drachmas respectively in 1955 to 6,000 million and 3,200 million drachmas in 1962. Government credits during the same period increased from 3,749 million to nearly 10,000 million drachmas. Loans for the purchase of pumping apparatus and productive stock, which represented about half the total amount, bore the low rate of interest of 2 per cent, which is exceptional even for economically developed countries. As a means of increasing the farmer's income, the Government has embarked on a policy of crop redistribution by encouraging a switch from low-yielding crops to those with a higher economic yield—that is, away from wheat to cotton, vegetables, fruit, and leguminous plants for cattle food. Special programmes have been devised for the development of the mountainous districts and the traditional tobacco-growing areas.

Tobacco is one of the main Greek exports and the Government attaches great importance to the possibilities of increased sales of tobacco to the countries of the Common Market. At a meeting of the Tobacco Committee in Athens at the beginning of this year, the Director-General of the National Board, Mr T. Andreades, stated that the value of tobacco ex-

ports during the current season was expected to reach the record figure of \$90 million. Home tobacco prices rose by 100 per cent within the period 1959–61, and there was also a large increase in the prices fetched abroad. Mr Andreades warned growers that they should not demand exaggerated prices, however, particularly in view of international competition. West Germany has up to now been a good customer of the Greek product, but Virginian tobacco is a keen rival.

Industrial development

If the agricultural position, despite the scarcity of good land, gives cause for hope and encouragement, the Government has reason to feel no less satisfaction with the progress of industrialization since the five-year Plan was put into operation. The United States, Germany, Italy, France, and Japan are all actively participating, or are financially interested, in Greek industrial development.

Oil and sugar refineries, steel foundries, a motor-car industry, the manufacture of electrical and electronic appliances, shipyards, breweries, and a factory for the production of nylons are among the new industries which are changing the entire pattern of the Greek economy. Extensions are planned for the shipyards at Skaramanga in the Bay of Eleusis, with which Mr Stavros Niarchos, the shipping magnate, is associated. The Hellenic Shipyards Company at Skaramanga now have two floating docks capable of taking vessels of up to 50,000 and 37,000 DWT respectively, and these should be useful to the merchant navies of the E.E.C., especially since they lie on the main trade routes from the Persian Gulf and Black Sea ports. In addition to shipbuilding and ship-repairing, the yards, which employ about 3,500 men, specialize in metal-construction projects for all types of industrial requirement. Thus, among their contracts since the Skaramanga venture came into existence just over three years ago have been the manufacture and erection of the steel structures for the State sugar factories at Larissa and Platy near Thessalonika; steel pipes for the Athens Water Company; storage tanks for the Hellenic Oil Refinery; and fuel tanks for the cement factories at the Piraeus and Thessalonika. New shipyards are scheduled for Syra and elsewhere. Mr Niarchos, who has invested £7,860,000 in Hellenic Shipyards, and had planned to expand the installations by investing another £3 million, has protested to the Government, however, against the granting of a licence to a group of investors, headed by Mr Andreadis, the banker, for the establishment of another shipyard in Eleusis Bay.

Together with the growth of Greek shipyards, it is interesting to note that the Minister of Marine, Mr S. Kotiadis, recently announced at a foreign press luncheon in Athens that vessels under the Greek flag now number 1,262, with a record tonnage exceeding 7 million. He stated that if Greek-owned ships registered under foreign flags were added to

the total, Greece would rank third, after the United States and Britain, among the shipping Powers of the world, with a total tonnage of 16 million. Post-war progress in shipping is all the more astonishing in view of the fact that the bulk of the Greek merchant fleet was lost during the war. Greece derives a substantial revenue from shipping remittances sent home by her seamen, numbering about 70,000, and by shipowners. Despite the shipping depression and the large number of vessels tied up, the amount from this source for 1962 totalled $108 million, against $102 million in 1961.

Greek brains and enterprise have created many millionaires. The important part which Mr Onassis plays in Greek development is well known. His airline, Olympic Airways, which co-operates with British European Airways in the London–Paris–Rome–Athens run, is scheduled to play a major part in the growth of Greek tourism, as flights are also being organized to the islands and other holiday centres, and helicopter services are being considered.

The latest new development is the offer of Mr Thomas Pappas, a Greek-born American business man, to establish a chain of industries in northern Greece, with a capital investment of £45 million. The Government's economic steering committee approved Mr Pappas's offer in preference to a bid for a £24½ million investment by a group including Mr Onassis and the British Petroleum Company. Mr Pappas is collaborating with Esso, the American oil company, in planning a new oil refinery with a productive capacity of 1½ million tons a year; a unit for the annual production of 105,000 tons of ammonia for making fertilizers; and a chain of petrol chemical industries which will absorb £8,900,000 of the total investment. In co-operation with the American firm of Kellogg, he also intends to establish an iron and steel industry with an annual output of 250,000 tons.

Among the numerous lesser industrial projects of interest is the proposed expansion of the old-established brewery firm of Charles Fix Ltd, founded in Greece by a Bavarian emigrant in the middle of the last century. The company has signed an agreement with Oetker, the leading West German brewers, to produce beer of the Binting Company brand, mainly for export.

The five-year Plan has made a good beginning in its efforts to lift the Greek people from their age-long poverty and to stop the drift of population to other countries, the seriousness of which is apparent when it is considered that 80,000 Greeks have already gone to West Germany alone. Greek workers are on the whole versatile and intelligent, many with a natural flair for engineering and mechanics, and they are rapidly being trained for the new industries. They are also sober and hard-working, qualities which have been well noted in foreign business circles.

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Notes of the month

The Ottawa meeting of NATO and its aftermath

MORE typically than most of its predecessors, the NATO Foreign and Defence Ministers' meeting in Ottawa in the third week of May was significant for its effects rather than its deliberations. The reason why NATO meetings rarely matter (that in Athens, in May 1962, when the United States openly offered to share nuclear knowledge and strategic plans as a means of curbing national nuclear ambitions, was an exception) is partly that formal occasions demand displays of unity, which inhibit frank exchanges. Latterly there has also been the conundrum that, while the United States will not accept undue reliance on nuclear weapons or loss of her central control over them, neither will the European NATO Powers accept in good faith the U.S. commitment to defend them.

Hence Ottawa only marked one stage in a swaying diplomatic, strategic and (in Britain) political battle within NATO for control of or participation in deterrent strategies, which, to responsible Americans and the dispassionate observer, is as potentially destabilizing to the European balance of power as a renewed crisis with the Soviet Union. French policy, unable to reconcile President Kennedy's Atlantic alliance with President de Gaulle's Europe, remains unaffected. Federal German policy equivocates between the two, with the current trend slightly towards Kennedy. British policy is as equivocal, although the domestic strains now afflicting the Government, plus renewed U.S. pressure to accept the multilateral-force concept (doubtless the principal reason for President Kennedy's belated decision to visit Mr Macmillan at the end of June) suggest that in Britain also the inexorable facts of nuclear power and influence are beginning to tell at last against an 'independent' nuclear strategy.

On paper, the Ottawa Conference agreed to institute an inter-allied (formerly multinational) nuclear force, comprising contingents from all those members with their own or hired U.S. weapons under the control of U. S. officers.[1] Thus three U.S. *Polaris* submarines in the Mediterranean, the British V-bomber squadrons normally based in the United Kingdom, the two French squadrons armed with low-yield bombs supplied by the United States, and Dutch, Belgian, Canadian, and West

[1] See 'Multinationalism versus multilateralism: the Ottawa meeting of NATO' by the present author, in *The World Today*, May 1963.

German tactical aircraft similarly armed will be commanded by a deputy, yet to be appointed, to General Lyman Lemnitzer, the American Supreme Allied Commander. It takes little imagination to see that this force represents no fundamental change in the physical *control* of NATO's nuclear weapons, quite apart from the fact that the bulk of the U.S. retaliatory power remains outside the alliance. The assigned *Polaris* submarines will stay under exclusive U.S. command; the V-bombers can be withdrawn at any time, although their role in a European crisis independent of U.S. support implies a British readiness to take on the Soviet Union unaided; the other formations derive their nuclear capability from the United States, which continues to provide or withhold it.

Nevertheless the inter-allied force should further educate European NATO in U.S. nuclear strategy and the awesome facts about the destructiveness and cost of nuclear weapons, by training staffs and stationing them at U.S. headquarters and by giving them a larger share in the selection of targets and the options to decide the contingencies which might justify meeting a nuclear attack with an equivalent response. That at any rate is the Pentagon theory. But this process of education, coupled with the imminent removal of certain obsolete nuclear weapons from Western Europe, may instead accentuate suspicions there that not only is the United States determined to keep all real decision-making, or central control, in her own hands, while simply making concessions which do not matter, but also that she is more than ever convinced that the importance of nuclear strategy as such is decreasing as hopes of a Kennedy–Khrushchev *détente* grow. President Kennedy's speech to the American University in Washington on 10 June, in which he announced the resumption of top-level test ban talks in July, was notable for a clear expression of this view.

It is in this context that the next 'NATO round', the proposed multilateral force, must be seen. There is no doubt that one element in the U.S. Administration is determined to create this force, as the only remaining means of preventing the spread of independent nuclear systems now that it has at last become convinced that the three major members of European NATO will not, or cannot, accept the simple combination of joint planning and single (U.S.) command. (In official American thinking, such a spread would legitimately arouse Soviet fears and thus inevitably cause compensating trouble, if not necessarily in Europe.) Equally, there is no need to indulge in flippant comment on the obvious difficulties of a mixed-manned fleet in order to realize that strategically the multilateral force is unnecessary, since already there is nuclear capacity to spare in NATO, and that, operationally, its projected deployment in 'coastal waters' is open to grave doubts about invulnerability and hence about its value as a retaliatory weapon.

Moreover, the force's cost, whether it be as little as £250 million initially or thrice that sum (and weapons projects commonly triple in price during their lead times), and irrespective of what proportions NATO's members are asked to contribute, will still add to defence budgets and mean a further reduction of those conventional forces which the United States is also anxious to develop as the alliance's 'sword', or first line of defence. Admiral Ricketts's visit to London after the Ottawa Conference doubtless cleared the technical air, but did nothing to remove these fundamental objections.

Thus there are some built-in contradictions in U.S. policy, which her allies have not been slow to exploit, and which President Kennedy's major speech referred to above does nothing to alleviate, significant as it undoubtedly is in the wider and possibly more enduring context of U.S.–Soviet relations. Again, General Lemnitzer at the June meetings in Paris of Western European Union expressly affirmed the indivisibility of nuclear strategy, and to informed observers, such as Miss Clare Hollingworth of *The Guardian*, made it clear that the final decision to use nuclear weapons must remain in American hands. Mr Dean Rusk the week before said that for 'the foreseeable future' the veto on NATO's nuclear armoury would stay in the White House—and he was answering questions specifically on the control of the multilateral force.

As so often before, therefore, it is impossible to predict the future course of NATO with precision. But it does seem reasonable to assume that the internal crisis cannot last indefinitely. A European *détente* and the proliferation of nuclear weapons are incompatible, as Mr Khrushchev pointed out to Mr Harold Wilson on the same day that President Kennedy made his speech. One possibility worth considering is that, with the exception of nuclear forces outside the NATO area and those assigned for the inter-allied force, Mr Macmillan may be prepared to accept effective U.S. control of the multilateral force. The *quid pro quo*, which diplomacy is likely to conceal, is Britain's signature on a test ban treaty. The threat, which President Kennedy with equally covert diplomacy may have made, is to implement the Nassau agreement[1] according to the letter and not the spirit; thereby the supply of *Polaris* missiles for Britain's submarines would be wholly dependent on her acquiescence in the multilateral-force concept. Paradoxically, the *raison d'être* for the force would then disappear, but Kennedy's progress towards a European *détente* might be hastened.

ANTHONY VERRIER

Poqo

ONE of the provisions of the South African General Laws Amendment Act, which became law in April, gives the State President the power to

[1] See 'The Nassau agreement and NATO' by Geoffrey Warner, in *The World Today*, February 1963.

proclaim any organization or movement to be the same as a previously banned organization. Any activities proved in connection with the proclaimed organization shall, therefore, be deemed to have been proved with reference to the original banned organization, and no court has jurisdiction to pronounce on the validity of such a proclamation. Under this section, the underground movement known as *Poqo* has been proclaimed the successor to the Pan-African Congress (PAC), which was banned in 1960.

The Minister of Justice, Mr Vorster, claims to have destroyed the leadership of *Poqo* and to have arrested most of its active members (2,000 were arrested in May alone). He also claimed that the British authorities in Basutoland, and South African police activities on the border, were instrumental in this operation. This was clearly a reference to the Basutoland Administration's arrests in April of leading PAC members in Maseru, following a statement by the PAC Secretary-General, Mr P. K. Leballo, that *Poqo* was the underground activist wing of the PAC. The British Government has denied that lists of PAC members captured in raids on the Congress offices in Maseru were handed to the South African police. The fact that people named in those lists were subsequently arrested may be the result of the recent capture of Leballo's secretary by the South African police, as she was leaving Basutoland with messages for branch members in the Republic.

It is not easy to define precisely the relationship between *Poqo* and the PAC, but the reaction of the rival African National Congress (ANC) to *Poqo* indicates a fairly close connection. At first the ANC leadership claimed that *Poqo* amounted to very little; and later, when evidence of its widespread support in the Cape and the Transkei mounted, the ANC condemned it as racialist adventurism. On the other hand, there is little evidence that the PAC founded and controlled the movement. It is probable that *Poqo* grew in small cells in the Cape African townships and locations, led by former low-ranking members of the PAC who owed little or no allegiance to Sobukwe's leadership. Since the middle of last year the PAC leadership seems to have tried to establish a control and direction of these rather isolated cells, but none of the operations for which *Poqo* has achieved fame or notoriety—the Paarl riots, the attack on Chief Kaiser Matanzima's Great Place in the Transkei, the killing of a white family at Bashee Bridge—appear to have been directed from PAC headquarters in Basutoland.

One of the reasons why so little is known about *Poqo* is that it is the first genuinely popular violent movement of resistance which South Africa has produced. There is no sign of effective national co-ordination of its plans. It has no formal public hierarchy, no published statements of its aims, and no open campaigns or public meetings. It operates in secret, with unprecedented success. The South African authorities were

taken completely by surprise when events subsequent to the Paarl riots revealed the extent of its support.

In view of the extensive network of government informers in the locations, this needs explanation. It lies largely in the fact that *Poqo* adopted as its primary target the government informers and collaborators themselves. At the Government's Commission of Inquiry into the Paarl riots it was admitted that four informers had been murdered in Paarl before the riots and that police inquiries in all these cases had been closed for lack of witnesses. Attacks on government-supported chiefs and headmen in the Transkei stem from the same primary motive: to destroy anyone who dares collaborate with the authorities. The clear aim of these activities has been to make the people more frightened of *Poqo* than of the police. In Paarl this objective had largely been achieved before the hopelessly unco-ordinated attack on the police station and residents of Paarl in September 1962, which broke the *Poqo* leadership and re-established the ascendancy of the police.

The long-term aim of *Poqo* is apparently the violent destruction of white authority. *Poqo* means 'pure' or 'we stand alone.' The crude interpretation of its nature is pure racialism—not only anti-whiteism, but also opposition to anyone who is not a member of the African race. Indeed evidence was given at some of the trials of a specifically Xhosa tribal atavism in the rituals of the movement, which is hitherto unknown in South African resistance movements. The fact is that the leadership of *Poqo* is radically different from that of either of the Congresses. It has attracted the semi-literates, the worst casualties of *apartheid*, and the criminal elements. It is not led by intellectuals. It is like a secret society, maintaining an exclusive sense of purpose which compensates for a sense of social rejection.

For *Poqo* cannot be understood unless one understands the conditions which have produced it. The movement seems to exist at present only in the Western Cape and the Transkei. The Western Cape is the area, spreading eastwards from Capetown almost as far as Port Elizabeth, which has been declared by the Government to be the future exclusive preserve of the 'Coloured' people (people of mixed blood), who are largely concentrated there. The 'removal of Africans' from this area has been adopted as a test case of *apartheid*. The first to go are the wives and other dependants of African workers, who then become official 'bachelors' housed in enormous barracks for single men. Of the 18,000 'bachelors' in the Langa location of Capetown, 12,000 are, in fact, married. But it is not only the family unit which suffers as a result of the rigid enforcement of the Pass Laws. These laws deny every African a sense of security or permanency, for each knows that he is allowed in the area only so long as his labour is needed. Tens of thousands of the Western Cape's 250,000 Africans have already been removed out of the area.

They are sent back to the Transkei Bantustan from which most of them originally emigrated to seek employment. There they find themselves without the means to make a living, and very often ill-treated by the government-nominated chiefs and headmen. They have no alternative but to set off once more in illegal search of employment in the Cape towns. This perpetual shifting rootlessness is clearly a cause not only of *Poqo's* psychological impetus, but also of its widespread existence. The movement spreads in the deportation trains from Capetown to the Transkei, and thence to each of the towns, where insecurity and the fear of unemployment create a community with less and less to lose. *Poqo* represents a new mood of recklessness, an almost suicidal determination to fight back, using the emotional appeal of the tribal past and a 'pure' African future. So far there has been very little evidence of more effective weapons; it appears that only one of the scores of *Poqo* trials has produced evidence of firearms being used by the Africans.

It is unlikely that *Poqo* will prove the vehicle for the coming violent struggle in South Africa. On the other hand, it cannot be dismissed as a passing flash of unplanned terrorism. Even its bitterest opponents among the opposition movements admit privately that its hold will be difficult to break. It achieved the reputation of acting while everyone else talked or protested. *Poqo* represents a new feeling of urgency, which demands action at almost any cost, and which insists on popular participation in that action. The sabotage, largely dynamiting, which has recently broken out in many parts of the country, cannot be a 'popular' activity: it is a skilled job for a few acting in complete secrecy. *Poqo* provides an outlet for the ordinary casualties of the *apartheid* system. Many of its members have been intimidated into joining it, but witnesses at the *Poqo* trials estimated that the majority joined of their own accord. The swiftness and severity of the Government's action against *Poqo* may have daunted or even killed the movement. But it would be unrealistic to assume that repression could kill the desperate, twisted spirit which produced the mood of '*Poqo*'.

MARGARET ROBERTS

Mr Ben-Gurion's resignation

To the observer of the current Israeli scene the ills of a thousand years seem to be healing—the once barren country, which, in the words of one of the pre-war Royal Commissions on Palestine, offered not enough room 'to swing a cat', now not only houses but also feeds more than 2,300,000 inhabitants, and is held to be able to accommodate in another decade even twice that number. In fact, the national Four-year Plan already makes provision for 10,000 new arrivals each month.

This ingathering of exiles has created new circumstances and problems, which in any case would have put an end to Israel's formative era, even if

its main protagonist, Mr Ben-Gurion, for forty years at the helm first as head of the Jewish Agency and then as Prime Minister of the new State, had not by his sudden withdrawal from active politics drawn attention to the country's changed physiognomy. To date, the most pronounced features of this change are the increased preference given to industry over agriculture in the programmes for the absorption of immigrants, and the growing preponderance in the population of Jews from Asia and Africa, who are unwilling to become farmers and are as yet unable to serve as workers in modern factories. In addition to her permanent preoccupation with defence, Israel thus has now to give the highest priority to educational and economic problems, faced as she is with the integration of Oriental immigrants into a nation created by the intelligentsia of Eastern and Central Europe, and with the strain and stress of sustaining rapid economic growth.

Mr Ben-Gurion has never shown any inclination to become involved in economics, and it is fortunate, therefore, that as his successor he has Mr Eshkol, the former Minister of Finance and the founder of the new economic policy initiated in 1962 with the devaluation of the Israeli pound. The first measures of this policy, however, have been found not to meet fully the needs of the moment. Thus, in his new sphere, Mr Eshkol will have to pay even more attention to economic questions.

In the past ten years private foreign investment in the Israeli economy has increased more than thirteenfold, reaching in 1962 the total of U.S. $150 million. The present boom conditions in the country have, moreover, largely been brought about by mass capital inflows of foreign private aid, together with restitution and reparation payments from West Germany. In spite of efforts to divert the present incoming foreign funds from the consumer sector, money circulation in the first six months of this year alone has again risen by 15 per cent—'this frightens us,' a senior Finance Ministry official admitted. For whether the dictum of the spiritual father of the nation, Herzl, that greets the immigrant on arrival—'If you will it is not a dream'—can retain its validity now depends very much on external circumstances, for instance on the readiness of the European Economic Community to lower its external tariffs for Israeli goods, for which there is no other market than in the Six. The talks with the E.E.C. have so far been inconclusive and not at all hopeful.

It also depends on the continued favourable assessment of Israel's prospects on the part of the foreign investor, on whom the national economy increasingly relies, as U.S. and German aid is bound to dry up ultimately; a sharp contraction of German reparations is expected already next year. So far these sources of foreign revenue have made good the deficit in Israel's current balance of payments. Without them, the maintenance of the high level of investment required for industrial expansion, and of living standards which approximate to those in Belgium,

will need a complicated operation. This will have to aim at a change in the climate of the economy—now marred by endemic inflation—and most likely also in its present infra-structure.

The task of raising the cultural level of what by now is nearly half the population to equal that of the other half appeals to Mr Ben-Gurion as one calling for the exertions of an elder statesman, who keeps aloof from party strife. And of such strife he must be genuinely tired. The continued division of the nation into two classes could destroy its stability.

The revolution that has swept over Israel is changing its course. The spread of agriculture in an arid, almost desert, land has reached its limit; when Israel came to statehood fifteen years ago, more than 80 per cent of the territory lay waste—today about 50 per cent is cultivated. The still empty spaces in the south will now have to be turned over to industrial development. The forward surge of agriculture and the consequent transformation of the social structure belong to the life-story of Ben-Gurion, who himself is a member of a collective farm, a *kibbutz*. It also forms part of the economic miracle which has projected the image of Israel into the under-developed countries, where it has gained her many friends. It thrived on defiance—of the past, the possible, the surrounding world. The progressive industrialization now gathering momentum needs all-round co-operation.

Mr Ben-Gurion intends to spend his retreat on his collective farm on the fringe of the desert. Around him forward-looking developments are taking shape: two new ports are springing up, an oil pipeline is crossing the country from south to north, and from the north to the south the waters of the Upper Jordan will soon be carried to vast industrial schemes in the desert. It is this environment rather than the collective farm and what it stands for that will determine Israel's future.

ERNEST BOCK

From Amurath to Amurath: a survey of the Middle East scene

ELIE KEDOURIE

IN the spate of change which the diligent journalist and the plodding academic alike assure us has engulfed the Middle East, one wonders what has happened to the poor astrologer whom one used to meet squatting at street corners quietly consulting his *grimoires* and delivering the verdict of the stars. Has he been abolished, as one fears, by the zeal of some enlightened officer, or has he been enrolled, as one hopes for his sake, in the Ministry of Guidance, henceforth to lead a useful and productive existence? The query comes naturally to the mind as one surveys the political history of the Middle East under its native rulers. It would seem a history expressly made to mock alike the believer in human reason and in divine providence, designed rather to compel belief in one of the varieties of astral lore originating in this very region, the cradle, as Middle Eastern nationalists are proud to boast, of civilization, philosophy, and religion.

The temptation to ascribe all things to *kismet*, and to study the Babylonian mysteries has been particularly strong in the last few months, when events in the Arab East have seemed to be a succession of violent and inconsequent incidents, bearing more the hallmark of some irrational, powerfully maleficent obsession than of purposive and intelligent conduct. A *coup d'état* in Iraq at the beginning of February issued in the murder of Abd al-Karim Kassim and some of his principal coadjutors; a month later another *coup d'état* unseated the Government of Syria, whose Prime Minister scrambled over a wall to take refuge in a friendly Embassy. Egyptian spokesmen received these events with paeans of praise and hosannas of jubilation; and a month or so afterwards, the United Arab Republic, veritable phoenix of Araby, sprang again,

> Self-born, begotten by the Parent Flame
> In which he burn'd, Another and the Same.

A month had not passed before two of the partners successively announced the discovery of plots hatched by friends of their Egyptian partners; but while proscribing and arresting the followers of President Nasser, the Governments of Syria and Iraq insisted that union was their hearts' desire. Egyptian spokesmen, scorning to dissemble, emphatic-

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ally denounced the revolutionary heroes they had hailed not two months before. To give one specimen of their invective: 'It is no secret,' Cairo radio said on 1 June, 'that the Ba'ath Party in Iraq began to carry out its vindictive plot against the military and civilian unionist forces from the early hours of the February 8 revolution', that this party 'has clamped down a wild, fascist dictatorial regime on Iraq', and that 'its absurd smearing of the unionist forces reflects the party's abysmal stupidity and complete lack of self-control.' Here matters rest for the moment, but, the wheels of fate for ever revolving, one will no doubt continue to experience at the spectacle of Middle Eastern politics the sharp and evanescent thrills so well known to riders on the big dipper.

The Ba'ath Party

What gives added spice to the spectacle is the high philosophical tone of the protagonists. When mamluke murdered mamluke in eighteenth-century Baghdad, Damascus, or Cairo, they did not justify themselves by the reasoning of Diderot, d'Holbach, and Rousseau. Their successors today do their deeds because Reason has pronounced and will no doubt continue to pronounce them just and necessary. This is eminently true of the party which is today in power in Baghdad and Damascus. The Ba'ath Party, the Party of the Resurrection, glories in being an ideological party. Its origins lie in a small Damascus group founded by two schoolteachers, the Christian Michel Aflaq, today the Secretary-General of the party, and the Muslim Salah al-Din al-Bitar, today Prime Minister of Syria. The group came into being in 1940, probably after the German triumph in the West, in order to organize and express sympathy for those Iraqi officers and politicians who wanted to grasp this opportunity for ending Arab dependence on Great Britain, and whose schemes and desires culminated in the unsuccessful movement led by Rashid Ali in 1941; this Damascus group seems indeed to have been known at the outset as *Jamā'at nasrat al-Iraq*—the Aid to Iraq Group. It subsequently took its present title and remained little-known and with little influence until the 1950s.

From the outset, the ideologist of the group has been Michel Aflaq. He is not a prolific writer, but his articles and addresses have a philosophical competence and an emotional intensity quite new in Arab nationalist literature. One writer on the history of Arab nationalism has indeed recently said of him that, at the end of half a century of searchings and gropings, Aflaq, in spite of his small output, at last 'provides a doctrine which contains all the necessary and classic features of nationalism'.[1] In 1951, the politician Akram Hourani and his organization known as the Arab Socialist Party joined Aflaq and Bitar to form the party as it is known today, with the full title of the Ba'ath Arab Socialist Party. Hourani had

[1] Sylvia G. Haim, ed., *Arab Nationalism, an Anthology* (Berkeley, University of California Press, 1962), p. 72.

a following in the region of Hama which, according to the traditional pattern of Middle Eastern electoral politics, was useful in giving him a parliamentary position and a platform for his ideas, which were not traditional.

But Syria in the 1950s was ruled not by Parliaments but by successive military dictators, among whom ideologists such as the Ba'ath, the Communists, and the *Parti Populaire Syrien* sought to make recruits, rightly recognizing that power lay in obtaining the suffrages not of the people but of the officers. Obscure and ferocious struggles between various groups of officers culminated in the Ba'athists finding themselves in the seat of power in 1957–8. As much to realize the dream of Arab unity, which is the central tenet of their ideology, as to shield themselves against internal rivals and Hashemite ambitions, the Ba'ath brought about the union with Egypt in the first United Arab Republic, in February 1958. The union brought the Ba'ath disappointment, for power was slowly centralized in Cairo and they found themselves losing their position in Syria. They broke with the Egyptians and had a hand in destroying what they had built, in 1961.[1] One of their pillars, Hourani, joined the Syrian Government after the secession and became an outspoken opponent of Nasser; he also broke with Aflaq and Bitar, who had no use for a Government which did not follow the Ba'ath ideology, and after their triumph in March last, he found himself a proscribed person. But so long as he remains alive, he may hope one day to see his proscribers proscribed.

Aim of Arab unity

Ba'ath ideology centres on Arab unity. 'The Arabs,' to quote the Constitution of the Party, 'form one nation. This nation has the natural right to live in a single State and to be free to direct its own destiny', and 'The Arab nation has an eternal mission.' The Ba'ath is a national, socialist, popular party: 'It believes that nationalism is a living and eternal reality. It believes that the feeling of national awakening which intimately unites the individual to his nation is a sacred feeling'; 'It believes that socialism is a necessity which emanates from the depth of Arab nationalism itself'; 'It believes that sovereignty is the property of the people, who alone are the source of all authority.' The party is also revolutionary; one of its aims is the 'overthrow of the present faulty structure, an overthrow which will include all the sectors of intellectual, economic, social, and political life'.

Damascus has remained the centre of the Ba'ath, and Syria the principal stage of its operations, but its appeal extends over Arab Asia and adherents are found in Lebanon, Jordan, and Iraq, exercising, according to circumstances, a more or less clandestine and organized activity. The

[1] See 'The Meaning of the United Arab Republic', in *The World Today*, March 1958, and 'The Break-up of the U.A.R.' by Patrick Seale, in *The World Today*, November 1961.

Hashemites in Iraq persecuted them, and so did Kassim, but it is clear from the *coup d'état* of 8 February and its aftermath, that those officers who overthrew Kassim and who rule Iraq today are Ba'athists, whether from conviction or convenience.

The history of the Ba'ath graphically illustrates the political condition of the Arab countries today. These countries suffer from an acute disjunction between what is said and what is done, and from a ruinous lack of representative men and institutions, whether formal or informal, to mediate and make some communication possible between Government and public. The Ba'ath fervently believes in Arab unity, yet Ba'athist leaders have helped Syria secede from the United Arab Republic in 1961, and today would, if they could, get out of the new union which, constrained by their own promises, they went to Cairo to negotiate. Again, the party claims to be democratic and popular, yet it exercises power in Iraq and Syria only by means of a handful of officers liable at any moment to overthrow and assassination. Its Constitution demands socialism; yet socialism is remote from the preoccupations of the masses for whom it speaks, and perhaps from their actual needs and circumstances. When Kassim was overthrown, Aflaq telegraphed his congratulations: 'Your revolution,' he said, 'is the outgrowth of a conscious, all-embracing popular action in which the masses of the Arab people in Iraq—civilians and military men—have taken part.' This is the inevitable decline of ideology into a rhetoric bombinating in a void.

Arab political speculation

It is worth while dwelling on the curious emptiness of Arab political speculation, particularly among the radicals, whose unremitting criticism of present conditions would, one might have thought, spur them on to exact diagnosis and precise remedy. One of the most intelligent Arab political writers is Abd al-Rahman al-Bazzaz, whose lecture on 'Islam and Arab Nationalism', given in 1952 to the Ba'ath Club in Baghdad, has, when translated into English,[1] justifiably attracted notice for the conciseness and spare elegance of its arguments. Following on the Kassim *coup d'état*, and while the dictator's policy towards union with Egypt was not yet fully manifest, Bazzaz published in Baghdad in 1958 an essay on *The Unitary and the Federal State*, which he then republished in a second edition in Cairo in 1960. In this essay Bazzaz was concerned to argue that unity was the primary need of the Arabs, and that alternative constitutional forms (which, as a lawyer, he discussed in some detail) were quite secondary. Coming from a lawyer, such scant regard for the consequences of constitutional arrangements is in itself interesting, but the author's remarks on the political situation of Iraq under Kassim are even more significant.

Thus he says that, apart from some opportunists, some officers who

[1] In Haim, *op. cit.*, pp. 172 ff.

constituted Kassim's political following, and 'some racial and religious minorities', there were three main political groups in the country, namely, the Arab Nationalists, the Communists, and the Regionalists who were in effect the National Democratic Party. It is a fact that ever since the foundation of Iraq a determined attempt has been consistently made to assume that the nation consisted only of the small Sunni Arab minority of officials on whom power had been bestowed. But it is curious to see such a vehement critic adopt the shadow-boxing style of the old regime and argue that, in a country where the predominant real interests are actually Shi'ite or Kurdish, the only political groupings which mattered were three small factions endlessly combining and quarrelling in the capital. It is true that Bazzaz registered an advance on previous political discussion, for he did consider the Kurdish question, on which, under the Hashemites, resolute silence was maintained. But his actual treatment of the subject indicated, as eloquently as did the previous customary silence, how the real political issues of the region were being ignored or evaded. The Kurds should understand, Bazzaz said in substance, that the Arabs had never been against Kurdish unity, that the persecution of the Kurds under the old regime was the result of misgovernment and foreign intrigues from which the Arabs equally suffered, and that Arab nationalism, being non-racialist, would not disregard the rights of any of 'the original inhabitants of Iraq'! In private, all this might be dismissed as mere talk, perhaps somewhat offensive and patronizing, with no bearing on the real issues. But what these issues are, what specifically are the Kurdish grievances, no responsible Arab is prepared to discuss in public.

The recent coups d'état

Mere talk has predominated in the latest *coups d'état*. The debased rhetoric which accompanies such occasions was manifest in February in a pun on Kassim's name which recalled a similar pun on Prince Abdul Ilah's name. On 14 July 1958, Abdul Ilah was called, to the delectation of the crowd, Adul Ilah—the enemy of God; Abdul Karim Kassim was now called Adul Karim—the enemy of the generous, but it is doubtful whether the crowd was quite as amused this time. Again, by a stroke of good luck, Kassim, executing his *coup* on 14 July, became *ipso facto* the heir of Mirabeau, Danton, and Robespierre. This year 8 February corresponded with 14 Ramadan in the Muslim calendar, and the new rulers, mixing the sacred and the profane, celebrated their deed as the Revolution of 14 Ramadan. Postage stamps bearing Kassim's effigy were withdrawn, and street-names commemorating him were changed. For the rest, Kassim was denounced as a tyrant and a traitor, and his successors proclaimed that the division of the Arab nation which he had promoted would be healed for ever. The usual proscriptions, confiscations, and delations attendant on the sanguinary rites of Iraqi politics abounded once more.

Large numbers of officers were reinstated and large numbers retired.[1]

It was, of course, the case that Iraq in Kassim's time was badly governed: the Shi'ites were dissatisfied, the Kurds in revolt, the economy by no means flourishing. But his successors, who came to power by military means, had neither the leisure nor the authority to tackle these problems. They temporized with the Kurds by issuing fair promises, proclaiming an amnesty and lifting the blockade which Kassim had imposed on the northern provinces. Matters of substance are no nearer a settlement, however, since the Kurdish leaders are ambitious, while the Government is not powerful enough to crush them. As for the Shi'ites, they were pacified by the withdrawal, for re-examination, of a law of personal status which had offended their religious leaders. The economy of the country was, of course, damaged by the upheaval and has been further debilitated by the continuing uncertainty.

The energies of the new rulers have been directed chiefly to the pan-Arab field. They had justified their opposition to Kassim by proclaiming themselves the protagonists of Arab unity, and they must now make good their professions. This was only prudent, since Egyptian support was vital to their as yet uncertain authority, and Egyptian opposition could easily become fatal. By 21 February an Iraqi delegation was already in Cairo expressing fervent fraternal sentiments. There is no telling now what the outcome would have been, had the Egyptians and the Iraqis remained face to face, but on 8 March a *coup d'état* toppled the Government of Syria and replaced it by one predominantly Ba'athist.

It is probable that this *coup* was the direct consequence of 14 Ramadan in Baghdad. Kassim and the Syrian Government had lent support to one another in withstanding Egyptian pressure and attacks. When Kassim fell, the Syrian Government was considerably weakened. It tried to repair the disaster by acclaiming the revolution against the corrupt dictator and hailing the desire for democracy, freedom, and social justice animating his supplanters; but this opportunism availed it nothing, and its position speedily crumbled.

The new Syrian rulers were likewise committed to Arab unity, but they had tried to work with Egypt in 1958–61 and had found the experience unpleasant. Whatever the outward jubilation, therefore, the Egyptians cannot have been very pleased to see Aflaq and Bitar take a hand in the discussions with the Iraqis at this juncture. But, however inconvenient, both sides had to make a show of enthusiasm and abide by their reiterated professions, and a Syrian delegation was welcomed in Cairo within a few days of the *coup d'état*. It quickly became clear, however, that negotiations were not going to be easy. On 27 March, the *Ba'ath* of Damascus, the newspaper of the regime, declared that the 'negative consent' of the

[1] See 'The Ba'athist Revolution in Iraq' by Clare Hollingworth, in *The World Today*, May 1963.

people was not sufficient; if unity was to have meaning, they had positively to participate in running their affairs. During the following days, pro-Egyptian demonstrations broke out in Damascus and were suppressed, a curfew being imposed. Egyptian newspapers and broadcasts started attacking the new Syrian rulers; *al-Ahram*, notably, published a long article attacking Aflaq for declaring to the French press that in 1952 Nasser relied on the officers, not on the people, and that Nasserism was only for Egypt.

The new U.A.R.

Then suddenly, after a few false alarms, agreement between the three partners was announced on 16 April. The Charter of the new United Arab Republic is a long document. It provides for a federal scheme embracing Egypt, Syria, and Iraq. On paper, the scheme sets up an overwhelmingly strong federal centre with exclusive powers in the fields of foreign policy, defence, finance, economic planning, education, justice and communications, the residue, such as it is, being left to the provinces. Cairo is to be the seat of the Federal President, of his Government, of the Chamber of Deputies, and of the Federal Council. The President, elected for a period of four years, appoints the Federal Cabinet and has the power to dissolve the Chamber and the Federal Council. The Constitution comes into force when approved by a referendum to take place five months after the proclamation of the Charter; and when the new Republic comes into being it will be governed for a transitional period of twenty months by a presidential Council assisted by a Cabinet. These details, tedious in themselves and probably useless for understanding the actual mode of government, should the Republic ever come into being, are significant only because they register the extent to which the other two partners have had to acquiesce in power being centralized in Cairo. For it is fair to say that what we have here is, in fact, not a federal constitution but a unitary one with federal trimmings.

The acquiescence of the Syrians and the Iraqis cannot have been easy, nor is it now unqualified. A clue to their doubts and reservations appears in at least two places in the proclamation. The draft Constitution, as has been seen, provides for federal control of the armed forces, but only 'provided that during the transitional period those affairs will be handled by the regions for so long as is deemed appropriate by them in accordance with the agreement reached on the matter'. There is no sign as yet of such an agreement, and one may suspect that officers skilled in the conduct of *coups d'état* are not going to abandon the essential tool of their craft without a struggle. It is significant that, as the newspaper *al-Ahram* revealed a few days after the publication of the Charter, Nasser should have insisted during the negotiations that unity in the political command of the army was essential: if this was so, the clause dealing with

military affairs cannot but have been a compromise between Egyptian demands and Syrian and Iraqi reluctance.

The other place in the proclamation which betrays signs of divergent ambitions only imperfectly reconciled is the paragraph dealing with political parties. It reads as follows:

> On the federal level, a single political leadership will be established to guide and unify political work in the State within the framework of this Charter, provided that all the political fronts in the regions or the unified systems in them abide by the resolutions of the federal leadership which are adopted by a majority. This leadership will gradually draw up a unified political system which will guide the national political work inside and outside the federal State and which will work for the mobilization of the forces of the masses in order to impose their will in life and to lead always to new horizons. This however does not mean the dissolution of the existing pro-unity parties.

The last sentence in this passage contains the key to the dispute. As it stands, it is, in effect, irreconcilable with what the rest of the passage seems to mean, namely, that the Republic shall have one political source of inspiration. The *Ba'ath* newspaper has revealed that in the draft proclamation the Egyptians wished to add the words 'at this stage' to the last sentence, but that the Syrians and the Iraqis would not agree to the amendment. The difference, therefore, revolves around the same issue on which the Egyptians and the Ba'ath broke in 1961, namely, whether Nasser is to be the absolute master in Syria that he is in Egypt. More in sorrow than in anger, the *Ba'ath* newspaper remarked on 16 May that Nasser's socialist measures in July 1961 would have brought him and the Ba'ath closer together, if the party had not been deliberately kept out of power in Syria.

The proclamation of 16 April was speedily followed by disputes both in Syria and Iraq, where Egyptian sympathizers attempted without success to upset the Ba'ath position. Nasserist officers were purged from the Syrian army on 27 April; other Nasserist officers were then said to have attempted a *coup* in Aleppo, where riots also took place on 8 May; pro-Egyptian Ministers resigned in Damascus on 4 May; the Iraqi Ministry was shortly afterwards reconstructed; and on 25 May the Iraqis announced the discovery of a plot to undo the Revolution of 14 Ramadan. Here matters rest for the present. The Iraqis and the Syrians insist that they desire union and that the referendum will be carried out in September.

It may be mentioned in passing that, according to *al-Ahram*, it was the Iraqis who requested an interval of five months before the taking of a referendum; they wanted to have a little time in order to settle some outstanding issues before the union took place. There is no sign today that any issue in Iraq is approaching settlement. The Kurdish issue, in par-

ticular, is as envenomed as ever, the Kurds intransigent, and the Government once more attempting that settlement by force which has eluded it for three decades. The Iraqis have gone so far as to deny that the plot discovered on 25 May was Nasserist, and this may give a clue to their behaviour. Egypt is the strongest of the Arab States today, with a stable Government under one direction for the last nine years. Syria and Iraq are now governed by new men, uncertain of themselves, who confront, particularly in Iraq, complicated and intractable problems, and depend ultimately—and the ultimate is, in these countries, always round the corner—on the shifting loyalties and changeable enthusiasms of army officers. For so long now they have beaten the pan-Arab drum that they dare not suddenly say, in the face of Egyptian denunciations, that they do not fancy union on Egyptian terms. And the Egyptians have not been slow in showing the line they would take: *al-Ahram* in an article of 24 May taunted the Ba'ath for lacking a popular basis for its authority, for resting, in fact, on purely military coercion.

The case of Egypt

The case of Egypt is perhaps the most interesting. Egypt is strong enough to exert great pressure on her neighbours, but can she govern them? Can Baghdad and Sulaimaniyya and Damascus and Suwaida and Lattaqia be governed from Cairo? They cannot, and yet successive Egyptian rulers, from the formation of the Arab League until today, have expended their resources and their ingenuity on this hopeless venture and have so far nothing to show for their pains except the Palestinian misadventure, the Syrian débâcle, and the Yemenite imbroglio. The one question of regional policy in which it would have paid to take infinite trouble was the Sudan issue, and here the Revolutionary regime registered a decisive defeat. And Egypt is, of all Arabic-speaking countries, confronted with the most desperate problems of government, complex enough, one would have imagined, to make her rulers firmly determined to cultivate their own garden.

When the first United Arab Republic was floated, *The Spectator*[1] devoted a leading article to the event entitled 'A New Arabian Nights', which pronounced sceptically on the prospects of what it called a 'fantasy'. The conclusion of the article bears quoting five years later:

> Politics in the Middle East is the affair of despots who, increasingly unchecked by tradition or vested interests or local loyalties, are borne aloft by a swaying, amorphous mass, frenzied with words and drugged with fantasies. Words matter so much that none of the Powers most likely to be hurt by the success of the United Arab Republic has dared to denounce this fantasy for what it is. It may well, therefore, come to pass that by common consent, the fantasy will take on the guise and

[1] London, 7 February 1958.

similitude of reality, and what is more, pretend to deal with reality. The last time this happened it was no joke: the Arab League worked the ruin of the Palestinian Arabs. *Absit omen*, but those likely to be affected must now ask themselves whose doom this new fantasy will compass.

The writer's precautionary invocation in February 1958 was useless: the first United Arab Republic brought directly in its train a civil war for the Lebanon, and indirectly the downfall of the Hashemite regime in Iraq, both futile and sanguinary commotions. Whose turn will it be now?

Political realities in Kenya

GEORGE BENNETT

THE Lancaster House Conference on Kenya that ended in April 1962 proclaimed in its Report the objective of 'a strong and effective' Central Government.[1] The phrase, constitutional in meaning and context, had, necessarily, political implications. Who, in the tribal rivalries of Kenya, could provide such a Government, for both the major political parties, the Kenya African National Union (KANU) and the Kenya African Democratic Union (KADU), appeared as tribal alliances? KANU, from its formation in 1960, sought to be the nationalist party but its internal strife and ineffective organization had prevented it from obtaining power after the 1961 election.[2] Because of these weaknesses, the Governor and his civil-service advisers were able to ignore the popular vote of 67·4 per cent for KANU and KANU-sympathizing Independents and to install a KADU Government, although that party had obtained only 16·4 per cent of the vote.[3]

It has taken two years of long drawn-out political development and constitutional negotiation before the realities of power could become fully apparent in another election. Two years ago Africans were demanding '*Uhuru na Kenyatta*' (Freedom and Kenyatta) but the Governor was able to delay Kenyatta's release until he considered that security conditions would permit it; now a new Governor has installed Kenyatta as Kenya's

[1] Cmnd. 1700.
[2] See 'Kenya's Frustrated Election' by the present author, in *The World Today*, June 1961.
[3] See G. Bennett and C. G. Rosberg: *The Kenyatta Election* (London, Oxford University Press, 1961).

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first Prime Minister with a KANU Government which well reflects that party's various elements. The new Government is already showing signs of effectiveness and strength in a way that seemed unlikely six months or a year ago, though it will need all its ability to grapple with the problems which have arisen through the uncertainties of the past few years.

In the transfer of power at the end of colonial rule some uncertainty is inevitable, but this has been compounded in Kenya by the necessary change also from the considerable influence that the European settlers have had upon the colonial Government. The Lancaster House Conference of 1960 made it plain that the power of the future would be African, but the Constitution that was to come into effect in 1961 was still to be multiracial, with reserved seats in the Council of Ministers for Europeans and Asians. In the 1961 election European votes went to the Kenya Coalition, which could not co-operate in change, but since African votes were also necessary,[1] other Europeans were returned to the Legislative Council. These men, like the elected Asians, found it easier to work with KADU and enter their Government. The fears of African nationalism, and in particular of Kenyatta, inhibited effective communication between the minorities and KANU. The Europeans were, only too literally, putting their money on KADU, but was it sensible to build breakwaters when the tide of African nationalism was still rising?

The Governor's delaying the release of Kenyatta until August 1961 meant that KADU was set in power in such a way that its leaders became ever more reluctant to negotiate with him. His return to politics was certainly likely to raise the problem of the relation between the political generations, but there were 'new men' in KANU no less than in KADU. The years of the Mau Mau emergency, with its exclusion of the Kikuyu from politics, had permitted others to reach positions of leadership, particularly the Western-orientated Tom Mboya with a trade-union background and his more tribally centred fellow-Luo, Oginga Odinga. After Kenyatta had failed to be accepted by KADU as the one African national leader for Kenya, he still had to deal with the internal quarrels of KANU.

Party strife in 1962

Thus in the last months of 1961 two themes emerged which dominated the following year: the internal politics of KANU, and KADU's search for protection through regionalism. The protective device of federalism had first been urged by Europeans on their own behalf, but it was KADU who actually employed a Swiss constitutional adviser. When the KADU leaders arrived in London in February 1962 for the constitutional conference, many of them were as little able to explain how Swiss methods

[1] The elections were held in two parts. Candidates for the seats reserved for Europeans and Asians had first to obtain, in a primary ballot, 25 per cent of the votes of their own community; but the actual result was determined by a common roll contest in which the African vote naturally predominated.

would work in Kenya as had been the Europeans of the Federal Independence Party in the 'fifties. However, KADU was able to put KANU on the defensive at Lancaster House. References to the fate of the Constitution in post-independence Ghana and the phrase, 'we are not going to have a Nkrumah done on us', forced KANU into one concession after another.

KANU was prepared to act in this way, since independence was its objective. The rapid succession of Constitutions—1954, 1957, and 1960—had given many of its leaders a feeling that Constitutions could be as easily broken as made. It therefore agreed to a Parliament of two Chambers—a House of Representatives based on approximately equal single-member constituencies and a Senate consisting of one member from each of the Districts—and also six Regional Assemblies with entrenched rights, for any fundamental changes would require a 90 per cent majority of the Senate. Yet this was only a 'framework constitution' with its details o be worked out in the coalition Government on which the parties agreed n London.

Both returned to Kenya claiming victory: Ronald Ngala of KADU nnounced that regionalism had been obtained, while Kenyatta denied hat this was a federal Constitution. Certainly the financial powers of the Centre and the somewhat limited functions of the Regional Assemblies nade people ask whether the latter were anything but glorified county councils. It was only after visits by successive Secretaries of State to Nairobi that the Constitution was finally hammered out. When it ppeared in April 1963, Duncan Sandys had already announced that the lections would take place in May.

Rifts within KANU

In fact, the whole period since the previous election had been one long lectioneering contest. The open antagonisms between the members of he coalition Government had caused it to be dubbed 'the collision Government' before it was a month old. It was able to continue working because of the support in its day-to-day administrative functions of Kenya's efficient European civil servants, particularly those in the Nairobi secretariat. Clearly the one outstanding Minister was Tom Mboya, who, as Minister of Labour, grappled with a wave of strikes in une 1962. These took place against a background of increasing unemloyment, arising largely from the continued rundown of Kenya's conomy due to uncertainty about the political future. Besides this, there was much talk of the Land Freedom Army and a resurgence of violence mong the Kikuyu. Would they and the Kalenjin and other pastoralists o literal battle for the settler lands? Speeches, particularly from one Kalenjin leader, gave colour to this as a possibility.

Meanwhile, the rifts within KANU increased, being further precipi-

tated by the arrival in August of the commissions to delimit the Regions and the new constituencies. Kenyatta's authority was not sufficient to prevent a number of KANU members, and even of branches, from giving evidence to the commissioners that conflicted with the party's policy of no change in the provincial pattern. A Nairobi meeting of trade unionists, largely Luo in composition, voiced open criticism of Kenyatta, and a Luo Political Movement was formed, though an actual break with KANU was avoided when Mboya reaffirmed loyalty to Kenyatta. More serious was the attitude of the Kamba, who live to the east of Nairobi and were the third largest constituent tribe in KANU. Their Members of the Legislative Council (MLCs), though KANU by party, made plain the Kamba desire to be in a separate Region from 'either the Kikuyu or the Masai who look down upon them'.[1]

This feeling of despite by the Kikuyu had grown in their association in KANU[2] but it had a longer political background. In the Kenya African Union (KAU), the Kamba leader Paul Ngei had lost his position of assistant secretary after presenting a memorandum saying that KAU aimed to improve the lot of the Kikuyu, while other tribes were drawn in merely to give a representative appearance and provide funds.[3] Ngei was arrested, tried, and sentenced with Kenyatta, but after their release in 1961 he took an independent line on some matters, feeling secure in the knowledge of Kamba support. His outspoken attacks on European settlement were an embarrassment to KANU leaders, who were happy that he was excluded from the Lancaster House discussions of 1962 through not being an MLC. Ngei and the Kamba nursed their grievances and they decided in the end to break away from KANU and form a new party, the African People's Party (APP). At first it looked as though it might be able to justify its title, for some of KANU's dissident Luos joined, but Ngei proved unable to hold them. His party was soon seen to be no more than a tribal one.

The election campaign

The formation of the APP was the final shock to KANU which led Kenyatta to decide to take the party structure in hand. At the end of 1962 KANU seemed in disarray with its morale low. It appeared that it was preparing to put the blame for a possible electoral defeat on the way the constituencies had been drawn. Yet five months later, on 1 June, it was Kenyatta who became Kenya's first Prime Minister, when KANU achieved a signal victory over an opposition which had given the appearance of ineffectiveness in the election campaign.

First, KADU was unable to put enough candidates in the field to ob-

[1] *Kenya, Report of the Regional Boundaries Commission.* Cmnd. 1899, p. 49.
[2] See Bennett and Rosberg: *op. cit.*, p. 150.
[3] See *Historical Survey of the Origins and Growth of Mau Mau.* Cmnd. 1030, p. 61.

tain a majority even if they were all elected, and this seemed, indeed, like an abdication of the claim to be a national party. An alliance with the APP would have been needed, but this had not been achieved by nomination day. Only afterwards did Ngala and Ngei agree that, in constituencies where their men were standing against each other, instructions would be issued that one should 'withdraw' for the other, though it was, of course, too late for the name to be removed from the ballot paper. The problem was that in ideas KADU and the APP were opposed. Ngei remained a nationalist by temperament, though compelled to operate as a tribalist. He would not come out with a clear pledge in support of regionalism. The APP's manifesto said only that it would re-examine this after the election; it did not feel itself committed to a Constitution in the making of which it had had no part. But for KADU regionalism was the essential for which it had fought, both in the Kenya Government and at Lancaster House in 1962.

This difference between KADU and the APP was the more important, since KANU made the Constitution the one major national issue of the campaign. As the nationalist party desiring rapid development, its leaders were certain to chafe under the most complicated Constitution ever devised for a colonial territory, one which was virtually impossible to change by constitutional means and which could so easily be represented as the last and greatest disaster of the colonial regime, the climax of a policy of 'divide and rule'. KANU could point, too, to the Report of the Economy Commission and that of the Fiscal Commission,[1] both of which made plain, at least by implication, the burdens that regionalism would impose.

Significance of the election results

The two years between Kenya's two general elections had stressed regionalism and tribal fears. Yet the election results provided an index of the growth of national feeling during this period. Voting this time was for party rather than personality. Apart from one Region, Nyanza, KANU was not plagued again by party members standing against the official candidates. Thus KANU swept to victory in the towns of Nairobi, Nakuru, and Kisumu. Besides its safe Kikuyu seats—many being uncontested—it gained all those of the Embu and Meru and lost only two to Independents in Nyanza, one in Kisii and one in South Nyanza. But, perhaps of more significance, KANU showed its quality as a national party by winning one seat in Kericho, a Kalenjin stronghold, and by breaking strongly into the Western Region. There the Baluhya were shown not to be a united group: their various tribal units opted for either KANU or KADU, while the Baluhya Political Union, which had appeared so important in 1961, was obliterated, its leader, Musa Amalemba, coming

[1] Published in December 1962 and January 1963 respectively.

bottom of the poll and losing his deposit in his home constituency. In this election the tribal party of importance was the APP. Yet even it could not exclude KANU completely from its territory, for it had to yield two of the Kamba seats. The net result was that, despite KANU's loss of the sizeable Kamba vote, it still, as in 1961, won two-thirds of the vote throughout the country.

Success of this order breeds further success. Others were soon beginning to move towards the rising sun. In the Senate two Independents declared for KANU, to provide it with a narrow majority (20–18) in a body which, with its District representation, KADU might possibly have won. In the House of Representatives five new members (one KADU and four Independents) similarly declared for KANU, and there was talk of others as likely to follow. Particular mention was made of overtures from some of the APP men as well as from some of the Kalenjin leaders. It looked, wrote one able reporter, as if the Coast would 'soon be the only area offering anything approaching solid Opposition to the Government'[1] —and there KANU controlled the south-west of the Region and had two of the Mombasa seats in the Regional Assembly.

Formation of new Government

With this widespread support, Kenyatta was able, in forming his Government, to answer the accusation that KANU was no more than a Kikuyu–Luo alliance. The loyal Kamba, E. N. Mwendwa, became Minister of Labour, while the portfolio of Education went to a Maragoli, J. D. Otiende, that of Works to a Taita, D. Mwanyumba, and of Lands to a Kisii, L. G. Sagini; a Masai, J. Konchellah, was made a parliamentary secretary. Much comment was directed to the balance in the Government between the old KAU leaders and the new men who had entered politics during the emergency. One who had been tried and sentenced with Kenyatta, Achieng Oneko, received a Ministry, and two others became parliamentary secretaries, while the two leaders who were abroad in 1952, Joseph Murumbi and P. M. Koinange, became Ministers. Of all these men Murumbi is clearly the most important, having played a considerable part in pulling KANU together before the election; he is now being spoken of as a possible successor to Kenyatta, if a choice is to be avoided between Mboya and Odinga.

Certainly a neat balance appears to have been struck between their posts as the two heading the ministerial list after Kenyatta. Yet Odinga, as Home Minister, controls little normally associated with that important office, for internal security remains the responsibility of the Governor during the period of internal self-government, and he has chosen to assign it to the Prime Minister. It is Mboya who will have to conduct, as Minister for Constitutional Affairs, the two most important sets of

[1] Clyde Sanger in *The Guardian*, 3 June 1963.

negotiations: with the British Government in the attempt to have the Constitution modified,[1] and with the East African countries over federation. Mboya appears thus to have some of the qualities of the 'heir-apparent'; certainly it was he who was close to Kenyatta during the election campaign, while Odinga must have lost face by his failure to control KANU in Nyanza in a way similar to that achieved elsewhere. The appointment to one Ministry of importance was held back until the House of Representatives had filled the special seats; only thus could a European be elected, and the South African born Bruce McKenzie was desired as Minister of Agriculture.

Outlook for the immigrants

What hope then may the immigrant races have under the new Government? Certainly the continuing deportations from Tanganyika and Uganda give warning that they will have to check their tongues; their old critical freedom is likely now to be out of place. However, the manifesto and election speeches of KANU, with their references to the value of all in building the new Kenya, did show KANU's grasp of realities. The settler farms are likely to be of more importance than simply as buffers between rival tribes, as many were early in the century. Just before the election, Major Day, a former leader of the Federal Independence Party, led a group that took tea with Kenyatta at his farm at Gatundu. Kenyatta was calling for bygones to be forgotten. The large estates could not be broken up and worked economically by smallholders, even though some Kikuyu farmers were being very successful on some previously under-developed parts of the old 'Highlands'.

If the Europeans might thus be able to regain confidence in their future, the elections may have helped to strengthen the faith of the Asians. At least they were strong enough to win urban seats while standing under both KANU and KADU colours, though they obtained in the new Government no more than two parliamentary secretaryships. Certainly Asians, and particularly the Ismailis under the leadership of the Aga Khan, have long been making more serious attempts than the Europeans to come to terms with the new African world, but history shows that alien traders are likely to be more unpopular than farmers.

Prospects for the future

The reality of power established in a realistic Government may now enable a sensible assessment to be made of Kenya's potential economy. The political uncertainties of the past three years have caused a rundown in that economy and gloomy forecasts of a failure to fulfil the normal

[1] When Mboya arrived in London he was, perhaps significantly, accompanied by Murumbi, Minister of State in the Kenya Prime Minister's Office, and Koinange, Minister of State for Pan-African Affairs.

pattern of economic upsurge under an independent Government.[1] The description of the new Government in *The Financial Times* of 5 June may be taken as indicative of the generally more optimistic reassessment that is now current. The main lesson of the election may well be that tribal fears and the demand for regionalism have been overplayed in the past two years.

Kenya's new Government is one that can speak with authority. Not only is it based on a strong popular vote but it also commands respect in Africa as the true nationalist voice of Kenya. In the election KANU received financial and other assistance from other African countries, with jeeps from Tanganyika being the most open demonstration of this. It will, therefore, obtain African support in its demands on the British Government: for a speedy removal of the military base and for changes in the Constitution. Britain, however, may well retort that she is not going to provide troops to coerce the Somalis who demonstrated in the elections, by a total boycott of all the seats in their North-eastern Region, the strength of their desire to secede and join the Somali Republic.[2]

Can this Somali question find solution in the wider framework of East African federation? Surprise ought not to have been expressed at the rapidity with which President Nyerere of Tanganyika and Prime Minister Obote of Uganda came to Nairobi to be embraced by Kenyatta and to start discussions on the question of federation. Also present as an observer was the Foreign Minister of the Somali Republic. There are hints that the Kenya Somalis could be transferred if they and their land were only going to another State in the same Federation. It has been said that an East African Federation awaited only the creation of a strong Kenya Government. Now that this exists we must regard with interest the coming negotiations. Merging of sovereignty is never an easy exercise but there is a basis for action in the East African Common Services Organization, whose existence already places limitations upon the sovereignty of Tanganyika and Uganda. If East Africa can be built into a State, this will, indeed, be a significant portent for Africa and the Pan-African movement. At least the figurehead exists in Kenya's new Prime Minister: Jomo Kenyatta, an elder statesman among African leaders and one who is sometimes spoken of as 'the father of African nationalism in East Africa'.

[1] See 'Economic Problems during the Transfer of Power in Kenya' by M. D. McWilliam, in *The World Today*, April 1962.

[2] See 'The Somali Republic since independence' by I. M. Lewis, in *The World Today*, April 1963.

Australia and the American alliance

CORAL BELL

FOR Australians the last year or so have been as traumatic a period in foreign policy as any since the fall of Singapore twenty-two years ago. Then, as now, the shock proceeded from a sudden sense of insecurity when a familiar shield proved unavailing against the slings and arrows of a newly outrageous fortune. At that strenuous time there was, however, the comfort of an alternative defence mechanism in sight. The present period of readjustment has been occasioned by a new consciousness of the limitations and costs of that alternative defence mechanism. The makers of Australian foreign policy have for the first time been required to face security problems with no clear and obvious answers, and with no *agreeable* answers likely at all.

The alternative defence mechanism adopted at the fall of Singapore and relied on ever since as the central element in Australian security policy was, of course, the American alliance. (During Dr Evatt's time as post-war foreign policy-maker for the Labour Government, 1945–9, this essential reliance was overlaid or disguised by other elements in policy, such as a vociferous enthusiasm for the notion of the United Nations as an effective defender of the weak, and the cultivation of Asian goodwill. But any realistic examination of Evatt's years of office would show that most of the substance of his policy was as much based on the American connection as that of his successors.)

The alliance with the United States took formal legal shape with the ANZUS agreement of 1951, which was a *quid pro quo* extended by America to placate Australian feelings about the mildness of the U.S. proposed Peace Treaty with Japan. It was the last major milestone of the period during which Australians saw any future threat to their security as more likely to come from Japan than from any other quarter. This was an inevitable view at the time, while the memories of the war were still strong. It is a tenable one even now.

For it remains a fact that Australia is an island, a vast distance by sea or air from Asian centres of power, and that the only Asian State that has demonstrated efficiency at naval and air warfare is Japan. One may compare Japan's formidable record in hostilities over the great Pacific distances with the situation of China, still blocked from completion of her

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conquest of the national territory not only by the 100 miles of water that separate Formosa from the mainland, but even by the four miles of water to Quemoy and Matsu. Indonesia has a certain Russian-provided air and naval strength that looks impressive on paper. But there are differences of opinion about how well this 'prestige hardware' is maintained, and how competently it could be used. None of the other Asian Powers looks like entering this air-and-naval league.

Australians were only slowly and reluctantly weaned by the United States from their accustomed view of Japan as the most likely enemy (a view dating from the Russo-Japanese war) but they early adopted, in addition, the view of Communist China as an alternative threat. For that reason, as well as from a general sense of the necessities of their position, they adhered to the U.S. rather than the British line in 1950 over the question of recognition of Peking. They have maintained this adherence ever since.

The British and the American 'connections'

Reflecting on the difference between 'the British connection' and 'the American connection' as successive security mechanisms for Australia, one might say that it is roughly the difference between a family relationship and a junior partnership in a business organization, or between 'status' and 'contract'. The 'British connection' was a sort of all-purposes alliance, by means of which Commonwealth members dependent on the protection of Britain could seek, with varying success, to promote all and any of their national interests.

The American alliance is not, *at least as far as the Americans are concerned*, an 'all-purposes' alliance of this sort, or at any rate certainly not in spirit, though the formal wording of the ANZUS treaty can be interpreted almost to make it so in the letter. The American feeling that their world alliance structure was erected (reluctantly) against only *one* threat, that of the expansion of Communist power, and that its use will be confined to that threat, is pretty pervasive throughout Australasia. This should not have come as any surprise in Australia, since it was stated in so many words in the American reservation to the SEATO treaty of 1954, which laid down that America's 'recognition of the effects of aggression' applied only to 'Communist aggression'. But optimism will creep into a nation's interpretation of what its 'great and powerful friends', to use Sir Robert Menzies's phrase, may be held to owe it, and it is only very recently that Australians have been brought up sharp against the realization of how limited their diplomatic leverage in Washington in fact is—much more limited than it was in London in the rather sentimental and gentlemanly atmosphere of the Commonwealth club, when that phrase connoted a security alliance as well as an old boys' association.

The Issue of West New Guinea

The issue which provided Australia with an understanding of the limits of her diplomatic leverage in Washington was that of West New Guinea. The author is not one of those (locally very vocal) who see Indonesia as *necessarily* a danger to Australia, or as *necessarily* due to provide the scene for the next Communist take-over bid in Asia. But it can hardly be denied that the political future of Indonesia is a riddle from which even the most confident of crystal-gazers might draw back baffled. Her Communist Party is large and powerful, her economic system chaotic, and her military dependence on Russia increasing, even though at present her relations with China seem more cordial. The prospect of dividing the administration of New Guinea with so unpredictable a polity has many potentialities, of which few are agreeable. (Even without the Indonesian complication, the future of New Guinea would have seemed likely to provide a good many headaches for the Australian Government, for the prospects of successfully reconciling emerging Papuan nationalism with Australian notions of the requirements of national security, in a situation in which the whole attention of the U.N. Trusteeship Council is concentrated on the area, are not particularly rosy.) The new name for Dutch New Guinea is West Irian: an indication of one strand of Australian opinion on the transfer may be judged from a snide local joke to the effect that Australia is about to be renamed South Irian.

Without in any way adhering to this alarmist interpretation of possible future Indonesian intentions, one may nevertheless concede that a decisive factor in the transfer of West Irian to Indonesian administration was the U.S. refusal (and for that matter the British, but the American was the decisive one) to back any encouragement on the part of Australia to further Dutch resistance to Indonesian pressure, with some actual American pressure on the Dutch to concede the point to the Indonesians. At any rate, it is clear that whatever pleadings Australia put forward in Washington for a consideration of her strategic interests in this question did not melt any hearts in the Kennedy Administration. This is not surprising: the United States has more real and immediate problems in the South Asian area than the putative discomfort of her Australian ally at some future date brought about by this arrangement.

The Indonesian case was rather better than some Western comment has allowed it to be. The Dutch-Australian case, unjustly or not, was tagged with a 'colonialist' label in the eyes of much of the world. And Americans (especially Democrats) are uneasy at being seen in colonialist company. Besides, from the point of view of diplomatic expediency, whatever the degree of influence exerted by the Communist Party within Indonesia or the degree of Indonesian involvement with Russia, either was likely to be increased rather than diminished by further resistance on the part

of the Uuited States to Indonesia's acquisition of Dutch New Guinea.

The Common Market question

While this situation was coming to be understood and being received with a considerable degree of indignation as far as some elements in Australian public opinion were concerned, there was also friction between Australia and the United States on the question of British membership of the Common Market. Rather unfairly, the United States came in for a good deal more criticism on this matter than Britain herself. There was a widespread belief that a major factor in Britain's decision to apply for entry was the necessity of conforming to President Kennedy's 'Grand Design' for the Atlantic community, and a less well-founded (in fact, rather paranoiac) suspicion in some quarters that the whole thing was more or less an American plot to demolish the structure of Commonwealth preferences. Mr John McEwen, who as leader of the Country Party is Deputy Prime Minister and Minister for Trade in the present Government coalition, was the leader of the resistance on the Market issue, Country Party members and their constituents being far more affected than their Liberal colleagues, who are mostly urban-based. Country Party feeling not only about the efforts, as they see them, of many American Administrations over a long period to undermine the structure of Commonwealth preference, but still more about the refusal of America to allow Australian primary goods (especially wool) in through U.S. tariff barriers is much more bitter than is normally appreciated.

The Malaysian project

In the last few months the Americans have reinforced the sense of the 'limited' quality of the alliance by their policy on the question of Malaysia. Australian policy had been fairly bluntly favourable to the project of uniting Malaya, Singapore, and the Borneo territories in a Malaysian Federation, in the expectation that it would provide a more stable State than could otherwise be hoped for, covering the north-western approaches to Australia from Asia. But the opposition to the project from Indonesia and the Philippines, both of whom have territorial ambitions with regard to parts of the Borneo segment of the proposed Federation, has rather damped Australian enthusiasm. No doubt the inclusion of these territories is the readiest means of making acceptable the racial balance within the proposed Federation. But if this means that the new State will start life under the disadvantage of hostility from both its main neighbours the price of internal balance will seem rather high.

Australia has *de facto* commitments to Malaya, under the somewhat mysterious workings of ANZAM, which is not a treaty but an 'arrangement'. In effect, Australia has shared with Britain a little of the responsi-

bility for the defence of Malaya, through the stationing of Australian forces there with the Commonwealth Far East Strategic Reserve, though she is not a party to the Anglo-Malayan Defence Agreement. The question now arises, for Australia, of whether this arrangement should be extended from Malaya to Malaysia, at the expense of incurring the hostility of Indonesia, which is, and always will remain, Australia's closest, most populous, and potentially most powerful immediate neighbour. The British Government's position is unequivocal: it is committed to the defence of Malaysia. The Malayan Prime Minister, Tungku Abdul Rahman, caused a faint but visible ripple of embarrassment to pass through Canberra by announcing recently that Australia would stand with Malaysia in any 'confrontation' with Indonesia. An American spokesman has said that the U.S. attitude to Malaysia would be one of 'non-involved cordiality'. In the circumstances the United States could hardly be expected to go farther: any forthright support for Malaysia would involve her in tension with her important (and restive) ally in the Philippines. At best America must in any case be pulled in two different directions, between her British and Australian allies on the one hand, and the Philippines and a particularly vital neutralist power, Indonesia, on the other. She certainly will not enter into the argument over the Borneo territories if she can avoid doing so. For the moment, the heat has been taken out of the issue by a successful piece of Malayan diplomacy in Manila. But whether the present upsurge of pan-Malay cordiality can last long enough for the successful establishment of Malaysia depends on the unpredictable moods of President Soekarno and the exigencies of Indonesian domestic politics.

Trade with China

There are other faint tensions in the American alliance. One is trade with Communist China. Australia now sells a substantial proportion of her wheat crop in China, and has no other obvious market for this grain. Sales since 1960 have amounted to £A160 million, and China has become the largest single buyer of Australian wheat, taking twice as much as the next largest customer, Britain. The deal is financed by the extension of Australian credits, and so far China has been a very satisfactory business partner. To prejudice this trade would be tremendously 'delicate' in domestic political terms, since it is cherished by the Country Party, with whose help alone the present Government remains in office. There is a real tendency for the marginal wheat-grower to become dependent on the Chinese market. Yet Australia, as an adherent to the general American diplomatic line in the Pacific, cannot yet contemplate the recognition of the Peking Government. One of these days, if the Peking Government chooses, Australia could be subject to a squeeze between her American ally and her Chinese customer. At any rate, to com-

bine non-recognition with a drive for more trade is a situation of some potential discomfort.

The situation in Vietnam

As far as Vietnam is concerned, the situation is one where the causes of dissatisfaction are visibly on the American rather than on the Australian side. The security of South-East Asia is obviously even more an Australian than an American interest. The crucial hostilities there at the moment are undoubtedly those in South Vietnam. (The Western commitment to Laos is far less definite.) American policy in the area appears to be approaching a major crossroad: the number of U.S. military personnel in the country, though not as combat troops, is already 12,000. If the military and political situations deteriorate further, American policy-makers will have to choose between a more overt military intervention and a diplomatic cutting of losses. In either case the consequences are going to arouse some dismay in Australia. If there is a deeper American military involvement, Washington is unlikely to remain satisfied with the present measure of assistance extended by its Australian ally, which amounts to thirty instructors in guerrilla warfare. On the other hand, a cutting of losses and some kind of effort at diplomatic settlement along the lines of the 1954 agreement on Indo-China, or the 1962 agreement on Laos, would be received with the most profound dismay, since it would be construed as, in effect, the conceding of another segment of South-East Asia to the effective sphere of Communist power.

The U.S. radio base

Into this less than harmonious situation there was injected a few months ago the issue of the building of an American radio-communications station at Exmouth Gulf, where the north-western coast of Australia juts out into the Indian Ocean. The project is not really a new one: though the agreement was signed only in May, it has been under discussion since 1960, most of the preliminary survey work has already been done, and tenders for actual construction have been called. The reason for its becoming a matter of lively public interest in the last month or two has been its impact on the Labour Party. In fact most of the information provided by the Government on the project has been the result of insistence by a group of left-wing Labour M.P.s, who have raised the matter at question time with determined frequency. (From the other side of the House has come a suggestion that they were 'put up' to doing so by a member of the Russian Embassy, and, clearly, of the Russian intelligence service, Mr Ivan Skripov, who was recently expelled on an espionage charge.)

The structure of power and opinion in the Australian Labour Party on issues affecting defence and foreign policy is quite different from that in the British Labour Party. There is far less radicalism of any sort in the

Australian party: in fact on many issues most of its members could be regarded as somewhat to the right of Mr Macmillan. On the other hand, the parliamentary leader of the party has considerably less authority over policy than in Britain. On important matters, policy is determined by a Federal Conference whose decisions are binding. And the machinery of the party in the individual states is such that left-wing minority opinion can considerably influence the voting of delegates to the Federal Conference.

What happened in the question of the American radio base was that the party's Foreign Affairs committee split on the question, and it was referred to a special Federal Conference, which decided not to oppose the building of the base, but by the shifting of only one vote (19–17) and subject to a set of provisos as to its operation. The most important of these provisos are the demands that the station be 'under the joint control and operation of the Australian and U.S. Governments' and that, if the United States were at war or threatened with war, the base should not be used 'without the prior knowledge and consent of the Australian Government'.

On the whole the Conference resolution must certainly be regarded as a victory for the Left of the party, and an illustration of the fact that its influence in party counsels is not entirely proportionate to its numbers. Local right-wing press comment has tended to represent the vote as a straight victory for the Communists, but this is a misleading oversimplification. The left wing of the party is, in fact, a mixed bag of old-fashioned traditionalist Utopian socialists, Marxist intellectuals, ex-Communists, Trotskyists, and a few actual Communist Party members. Its strength in the Parliamentary party is very small: perhaps five in a total of ninety. But some of its members hold strategic positions in the party machinery, and the closeness of voting in the Federal Conference indicates their skill in the use of this asset to influence decisions.

Importance of Labour dissention

What makes the Labour dissention on this issue a matter of diplomatic importance is the fact that the present Government coalition holds office by only one vote, and an election must be held, as in Britain, by November 1964. The construction of the base will not be completed until 1966, so that if there were a change of government in or before 1964 there would be ample time for Labour policy to affect the chance of the base ever coming into operation. Indeed, if Labour policy, as at present formulated, seemed likely to be put into force in any *rigorous* way, it is doubtful whether the project would seem, to the American Chiefs of Staff, worth pursuing. The Minister for External Affairs, Sir Garfield Barwick, made it clear during the ratification debate that the American negotiators had flatly refused to contemplate joint control of the base. On the face of things, there

is a clear incompatibility between the requirements of the American Government for sole control and the conditions laid down as binding on any future Labour Government's agreement to pursuance of the project.

The Labour leader, Mr Calwell, would of course be in a stronger position to influence party policy if he were Prime Minister, and no one doubts the degree of his attachment to the American alliance. He is in fact rather fond of reminding Sir Robert Menzies that it was Labour's wartime Prime Minister, Mr Curtin, who first brought it into being. The right-wing parties in Australian politics have been, on the whole, the parties of 'the British connection': the Left, by reaction, has been the proponent of a rather strenuous Australian nationalism. But if this Left-nationalism made the readjustment of 1941 easy for the Labour Government of that day, it imposes a certain touchiness about Australian sovereignty and 'foreign influences', which is very visible in party policy over the base.

Growth of American investment

This kind of Labour-nationalist feeling is perhaps growing under the same influence as has created a not dissimilar element in the very different politics of Canada: the growth of American investment. The share of North America in total investment in Australia has increased rapidly in the last few years, from 38 per cent in 1960–1 to 49 per cent in 1961–2, as against a decline in investment from Britain from 54 per cent in 1959–60 to 42 per cent in 1960–1. The 'international financier' and the 'overseas bondholder' have long been the chief bogy men of Labour mythology in international politics: such Labour resentment as was directed at Britain in the past was based on highly coloured views of the stranglehold of the City of London on Australian lives and livelihoods. Obviously Wall Street could inherit the role of financial octopus-in-chief with no difficulty whatever. In fact one notices that it is already doing so in some Labour speeches. All in all, if Labour is returned to office this year or next, a combination of the touchy nationalism of the Centre and Right of the party with the machinations of the Left could mean an insistence on conditions for operating the base which would be unacceptable to the Americans, assuming they are serious about sole control.

If this does happen, it will be a notable example of history repeating itself, for this was almost precisely the mode in which the project of the Manus Island base came to grief in 1946. Dr Evatt, the foreign policy-maker for the Labour Government at that time, certainly regarded it as advantageous to Australian security to have American forces on Manus, an island north of New Guinea, covering the approaches to Australia of any invader from that direction. But he thought the Australian bargaining position was strong enough for insistence on joint operation and control.

These terms proved too steep for Washington, which politely ended the negotiations and took its forces and its base elsewhere.

Involvement in the nuclear balance

On the whole, the debate over the base has probably redounded to the electoral advantage of the Government, and Labour policy may never be put to the proof. But looking at the issue in a larger context than party politics, it seems clear, though Government spokesmen have not been explicit upon the point and few Australians as yet understand its implications, that the construction of the base marks the first involvement of Australia in the central nuclear balance. The installation is not an actual depot-point for *Polaris* submarines in the style of Holy Loch, but its central purpose is clearly the transmission of instructions to those which, by the late 'sixties, will be operating in strength from Guam, and which will have 'assigned targets' in the South Russia area, and perhaps in China. The lease is to be for twenty-five years: before a quarter of that time is gone, the *Polaris* fleet will be the dominant element in the American 'second strike/counter city' capacity. (*Polaris* missiles are not well adapted to a 'first strike' or 'counterforce' role because of their margin of error.) And the more nearly the submarines themselves are made invulnerable, the more reason there is to knock out, or otherwise eliminate, the installations through which they receive their instructions, such as the Exmouth Gulf base. Thus, though the base is perhaps not a *first* priority target, it should logically be higher on the other side's elimination list than anything else ever installed on Australian soil. Nor would this necessarily mean only attack on the remote sandy waste in which the base is situated: rather, it might mean the blackmailing process euphemistically known to the academic strategists as 'city bargaining'.

Thus, on any realistic understanding of the prospects, the base must be accounted the heaviest price yet paid for the advantages, real as they are, of the American alliance. However, neither this reflection nor any other of the endemic frictions outlined earlier is likely to shake the conviction of the average Australian that adherence to the alliance is the country's nearest approximation to safety in a dangerous world. The far Left may sigh after the deceptively green pastures of non-alignment, and the traditionalist Right for the cosy days when the Royal Navy was security guarantee enough, but nothing short of an absolute clash of national interests in the South Asian area is likely to create any widespread Australian impulse to opt out of the alliance.

Two views of the Central African Federation
II. The situation in Southern Rhodesia

THEODORE BULL

The first article in this series—'Constitutional realities', by J. A. Lemkin—appeared in the June issue of THE WORLD TODAY.

IN one sense all Southern Rhodesian talk of independence is only too real: in another it is absolute rubbish. If the white population of Southern Rhodesia is going to maintain anything like its present standard of living, it is bound to depend on open or disguised support from some outside source.

Since 1953 (at which time her finances were acutely overstrained) Southern Rhodesia has depended heavily on Northern Rhodesia. Over the years 1953 to 1959 Northern Rhodesia contributed substantially more to the Federal Exchequer than Southern Rhodesia. Only from 1960 to 1963 has Southern Rhodesia's contribution been the greater. It is unfortunately not possible to estimate the percentage of the total taxes raised in each Territory that goes to the Federal Government, but it is very much the larger part. Of the taxes collected by that Government 62 per cent is held by it, 14 per cent is allotted to Southern Rhodesia, 18 per cent to Northern Rhodesia, and 6 per cent to Nyasaland. The estimated revenue for 1962–3 was as follows: Federal Government £68,703,000; Southern Rhodesia £25,462,000; Northern Rhodesia £20,667,000; and Nyasaland £7,699,000.

Southern Rhodesia's greater territorial revenue is perfectly well deserved, but she has benefited disproportionately from Federal Government expenditure. This, indirectly, further emphasizes her dependence on the North. For example, the headquarters of all Federal Ministries are in Salisbury; most expenditure on Ministries therefore—whether renting offices or putting up buildings—has benefited Salisbury, and the civil servants have naturally spent most of their salaries in the town in which they live.

The Territories have had responsibility for African education and agriculture, and the Federal Ministries of Education and Agriculture have been responsible only for non-Africans. Leaving out of account both Nyasaland, where the white population is very small and where European agriculture never came under the Federal Ministry, and the small

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Asian and Coloured population of the Rhodesias, the proportion of the white population living in each Territory is worth noting: 223,000 in Southern Rhodesia, 77,000 in Northern Rhodesia. It is in approximately this proportion that the Federal Ministries of Education and Agriculture have spent their money. The army and air force have also been more to the long-term benefit of Southern Rhodesia than to that of the other Territories, though the value to any Territory of massive Federal defence expenditure, in terms even of prestige or of keeping Africans 'in their place', is doubtful. (The 1962–3 Defence Estimates amount to £8,215,000, of which £3,835,000 is for the Royal Rhodesian Air Force. These figures, of course, do not include police expenditure.)

The third factor of Southern Rhodesia's dependence on Northern Rhodesia lies in the development of her secondary industry. From 1953 to 1957 this boomed. Given the premise established with the setting up of federation, that the three Territories would form a common market, Bulawayo and Salisbury, which had the necessary services and the largest and most rapidly expanding local markets, were the obvious points of expansion. Of course, much of the expansion was induced by the general buoyancy that came to Rhodesia with the 'great experiment' of federation—not simply to the guaranteed market on the Copperbelt and elsewhere in the North—but this buoyancy has gone, as far as Southern Rhodesia is concerned, even before the guaranteed market has disappeared.

Few people like publicly to acknowledge their dependence on others, and the Government of Southern Rhodesia is no exception. 'Field dispels fear of Northern Rhodesian boycott' is the sort of hopeful headline sported these days by *The Rhodesia Herald*. But a truer indication of the Government's understanding was the recent call by Mr John Gaunt, a member of the Cabinet, for a 'single economic unit' for Central Africa. The *Central African Mail*, a good-quality popular weekly which supports the Nationalist cause, commented 'There will be no business done with Northern Rhodesia while Southern Rhodesia is still infected with the Welensky–Gaunt mentality. The North will co-operate only after there is a democratic government south of the Zambezi.' Though there will be certain matters, such as Kariba power, where practical co-operation between the Rhodesias may be expected, the *Central African Mail* probably reflects the general response of the Northern Rhodesia Government.

Estimated effects of the break-up

It is hard to estimate how many of the informed public of Southern Rhodesia fully appreciate the extent of her present dependence on the North, or the effect of the break-up of that relationship. It is, of course, impossible for anyone to forecast exactly what the effect of the break-up will be. In 1960, Mr Michael Faber, a former lecturer in economics at the

University College of Rhodesia and Nyasaland, published a paper entitled 'Southern Rhodesia Alone'. At that time it seemed more likely that Southern Rhodesia would secede from the Federation: now, as Mr Field has put it, 'we shall have been seceded from'. But the effect will be the same.

Mr Faber estimated, among other things, that Southern Rhodesia's exports to Nyasaland and Northern Rhodesia would be reduced by 25 per cent (or £6 million) and that, as a result of a probable sale of the northern section of the railway system, Southern Rhodesia's earnings from transport would drop sharply. It has been suggested that the gross revenue of Rhodesia Railways would drop by 40 per cent if all copper was transported by another route. And Mr Kaunda appears to be in earnest when he speaks of a rail link to Tanganyika. Mr Faber also considered that the total of debt assigned to the Southern Rhodesia Government could scarcely be less than £130 million. (This was, of course, on the assumption that the Southern Rhodesia Government would be responsible for initiating the break-up.) Mr Faber's forecast on the extent and inevitability of white emigration and job reservation on a racial basis is hard to gainsay. His final conclusion is that assuming—perhaps arbitrarily—'a compound rate of growth of 3 per cent per annum, it would take seventeen years before the *status quo* (in terms of output and consumption) could be regained'.

Though it was written three years ago, and certain circumstances have changed, it would seem that Mr Faber's paper still gives a fair indication of the sort of economic future that Southern Rhodesia is facing. The main difference is that in 1960 there was still, in theory at least, a chance of avoiding this pattern of events. Now there seems to be no such chance.

Tragedy of the situation

Perhaps Southern Rhodesia has never had any chance of a peaceful and happy future. But certainly such a future suddenly became far less likely just five years ago when Garfield Todd lost the premiership. At that time the Southern Rhodesian drama turned to tragedy. Since then the 'white liberals', many of them liberal as much by common sense as by conviction, have in an odd sort of way both taken part in the tragedy (albeit playing very small roles) and watched it as an audience. The potentially tragic factors, as in all tragedies, were there from the start. Although one could not, and indeed even now cannot, see in detail how the play will end, it was possible long ago to see the direction in which the plot was moving. The present writer cannot claim any particular perspicacity to have written in 1961, after discussing the economic consequences of secession:

> Politically—indeed in the whole life of the country—secession would be equally disastrous. The all-round consequences of massive unemployment, of a contraction in medical, educational, and agricultural

services, of racial tension over job reservation—not to mention the violent reaction of Africans to the very fact of secession on white terms—simply do not bear thinking of. Southern Rhodesia is not strong enough to stand these strains. Whatever the wishes of its Government or people, it must in these circumstances lean on the Union of South Africa for support. And this very action would provoke a further round of violence.

As the tragedy has continued the inevitability of its conclusion has become more and more overwhelming. But as long ago as 1959 it was sufficiently clear for one to be able to write that 'Salisbury, now grossly fat, must shrink painfully to the size she can afford to be as capital only of Southern Rhodesia.' It was already apparent at that time that, after a period of uneasy independence, an informal association with South Africa was the most likely outcome, and in 1961 it was possible to write 'The Southern Rhodesia and Federal Governments are at one with the great mass of the white population. Rather than remain outweighed by two others, both probably hostile, Southern Rhodesian Europeans would prefer to declare their country's independence, and as need arises, enter into increasingly close treaty links with the Union of South Africa.'

Sir Roy Welensky's recent visit to Dr Verwoerd seems to foreshadow just such a development. From the South African point of view Southern Rhodesia is a tiresome liability. But it will be in South Africa's interest to subsidize Southern Rhodesia just enough to maintain an effective white Government in control. There is bound to come a time—*and how long hence is the most important question in Southern Rhodesia today*—when the return on subsidizing Southern Rhodesia is no longer great enough, in political or strategic terms, to warrant the outlay. At this point (or possibly before it) the South African Government will offer Southern Rhodesian Europeans especially attractive terms to settle in South Africa. The carcase of Southern Rhodesia will then be thrown to the wolves.

Weakness of the Nationalist movement

The only major change that should certainly be made in one's earlier forecast is in the assumption that a reasonably organized African Nationalist movement will exist in Southern Rhodesia. The intellectual and organizational ineptitude and the lack of courage of the Nationalist leaders over the past two years have been most marked, and no adequate excuse can be claimed on the grounds of the difficulty of the Nationalist position in Southern Rhodesia. Popular outbreaks of African feeling there will undoubtedly be, and they may be very violent. In a small way they may even be organized, but they are unlikely to be controlled by a Nationalist organization on a national basis.

One of the effects of the visibly low quality of African leadership is the

increasingly unenthusiastic response of Mr Kaunda and his United National Independence Party in Northern Rhodesia to any initiative from Mr Nkomo or his associates. This presages an even thinner time for African Nationalists in Southern Rhodesia than they may have been reckoning on. It seems unlikely that the Tanganyika Government is over-impressed with the performance of the Southern Rhodesian leaders in Dar-es-Salaam. The prospect of harbouring a Government-in-exile of such egregiously low calibre may well appear less attractive than it did a couple of months ago.

Last July one could feel genuine if perhaps shallow-rooted hope.[1] The Nationalist leaders, though they had proved acutely disappointing, had not reached their present nadir. Sir Edgar Whitehead, though his image among Africans was of the man who introduced all the repressive legislation, was planning seriously to tackle the vital land question and it seemed likely that 'when' he had won his election he would find himself forced to tackle equally seriously the even more vital question of the franchise. It looked as though the combined pressure of the Northern Rhodesian and Nyasaland Governments on tariffs, of the United Nations, and more particularly of the Commonwealth expressed through the British Government, and the British Government's own pressure, applied by making hard conditions for independence and financial assistance, had a good chance of pushing Whitehead's Government into doing just enough just in time.

Possible grounds for hope

Can one any longer feel such hope? A month ago the answer seemed to be a clear 'no'. Now once more there is perhaps a very slim chance of a happy solution. According to what appears to have been a reliable 'leak', the British Government will agree to independence for Southern Rhodesia on terms that demand what Sir Edgar Whitehead would certainly have accepted, and which Mr Field, despite his unruly right wing (and despite Sir Roy Welensky), may yet accept.

The terms reported were:

a Territorial Parliament in which a third plus one of the members are Africans;

the repeal of the Land Apportionment Act, by gradual stages;

an end to all racial discrimination in Southern Rhodesia;

a widening of the B Roll franchise qualifications to allow thousands more Africans to vote;

and the retention of the cross-voting between the A and B Rolls.[2]

If such terms are agreed, the Nationalist leaders will be faced with a

[1] See 'Politics and Power in the Rhodesias' by the present author, in *The World Today*, July 1962.

[2] For details of this system of voting, see 'Problems and Prospects in the Central African Federation' by Philip Mason, in *The World Today*, August 1961.

most difficult choice. If they agree to form a new party and participate in elections, they could be overthrown from below for 'selling out'. If they do not, they may jettison the last lifebelt that Britain can throw to the African people of Southern Rhodesia.

Not every factor in the present situation can be clearly determined. Sir Roy Welensky, for example, has no wish to go out like a lamb. He is at the moment playing for a share in, if not for the leadership of, the Government of Southern Rhodesia. Exactly how this will develop is not certain, for the Rhodesian Front has a long term of office ahead, and it seems unlikely that Welensky would accept a subordinate position in a coalition. But he just might, in the confident hope of so overshadowing his boss that he could before too long succeed him.

There is scope for an imaginative approach by Mr Butler, particularly if he can use the good offices of the new and old members of the Commonwealth. Dr Nyerere is the best man to whisper in Mr Nkomo's ear; Sir Robert Menzies might well achieve a great deal in straight talking with Mr Field. Both Mr Field and Mr Nkomo are much less bellicose than they were two months ago, and it is a hopeful sign that Mr Field has reversed his decision and is now willing to attend the Victoria Falls Conference at the end of June. There are just a few hints that Mr Butler may be moving towards an approach on this pattern. It seems to hold out at least a distant chance of success.

The political outlook in Canada

BLAIR FRASER

FROM the time the Pearson Government took office in mid-April to the introduction of its first budget in mid-June, the state of mind abroad among those concerned with Canada was one of mild euphoria. The Prime Minister's visit to London in May was like Old Home Week, and reports indicate that his week-end with the Kennedy clan in Hyannisport was no less so.

More significantly, official visitors to Canada from both her major allies have been speaking with a candour and confidence that they would have deemed imprudent a few months before. U.S. hopes for co-operation on nuclear weapons, British hopes for firm measures to correct the imbalance in Anglo-Canadian trade have been expressed in after-dinner speeches

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instead of marginal notes on secret documents. All this created an impression that it was Canada's move, and that a move was imminent.

These sanguine expectations may have been damped by the budget Walter Gordon brought in on 13 June. The sharp emphasis on repatriation of Canadian industries and resources now under foreign ownership, the tax discriminations in favour of companies that are even partly Canadian-owned and against the American subsidiary, have perhaps impaired the image of the new Canadian Government in the United States. British exporters no doubt have been disappointed to find no change in Canada's anti-dumping laws, nor in the valuation of the Canadian dollar (which was cut to 92½ cents U.S. fourteen months ago, with the same protective effect as an increase in all Canadian tariffs) and no move at all in the direction of freer trade.

If these feelings of disenchantment exist they are unwarranted, because they are the reaction from an optimism that was not realistic. Few people abroad realize how profound was the political crisis, and how general the political malaise, that Canada suffered during the past seven years. This is not surprising, since it is not at all easy to explain.

Take, for example, the two major parties that compete for office in Canada. Ideologically they are identical. There is between them no difference of principle that could be defined in any general terms which both parties would accept. They look as much alike as the Blues and the Buffs of Eatanswill, or the Little-Endians and Big-Endians of Lilliput. That they should have fought each other with just as preposterous a bitterness, in four election campaigns over six years, seems hardly credible—but they did.

Mr Pearson faced a meeting in Vancouver in March that was quite riotous. In the same hall the year before, another Vancouver crowd had given Mr Diefenbaker a rough time, and perhaps these were out to prove that Vancouver rioters are non-partisan. Mr Pearson managed to finish his speech, but it was a considerable ordeal, and when he got back to his hotel he was physically and emotionally exhausted. As he sat down, one of his Vancouver organizers came over to him, beaming with joy. 'It was wonderful', he said. 'This will win us two extra seats, the way they treated you. And if only they had *drawn blood*, we could win *four* seats!'

The Prime Minister now tells this to friends as a funny story, but it was not funny at the time. It was a dismaying and degrading experience similar to too many other incidents in a campaign that brought small comfort to any Canadian party, and less to Canadians of no party. For the causes that underlay the bitterness one must go back to 1956 or earlier.

By 1956 a Liberal Government had been in power for twenty-one consecutive years, and some of its members had been in office for the whole of that time. In office it had acquired great competence. It had also ac-

quired arrogance, complacency, and the conviction that no other part could replace it.

The Canadian electorate decided it was necessary at all costs to turn these self-satisfied creatures out. By an unlucky coincidence, one of the factors that convinced them was a Liberal decision to give a valuable pipeline franchise to a dominantly American company (taking for granted not only that Parliament would approve, but that it would approve by a specified and early date). As a result the still-famous 'pipeline debate' of 1956 had strong anti-American overtones. Also, the Canadian boom was drawing to an end and Canadians were realizing, with unjustified but natural resentment, that they had bought their prosperity by selling their resources to American companies. Then came the Suez calamity which also divided Canada, moving some to anti-American and some to anti-British feelings. Generally the anti-British were Liberal supporters, the anti-American Conservative. But these international aspects were incidental, though unfortunate; the primary impulse was to turn out the sleek, fat Liberals.

The 1957 election

It is not easy now even for Canadians to recall the exhilaration that swept the country in the summer of 1957, when they actually succeeded in doing this. The Liberals had been so sure that they were irreplaceable and irremovable that the electorate half believed it too, and when they were defeated there was a general glow of national achievement—especially since everything seemed to go all right, the national economy did not grind to a halt, the civil service carried on, indeed nothing was changed except that the incredulous Liberals were out and the equally incredulous Conservatives were in. The latter did not quite get a majority in the first election, but in the second the following spring they were returned almost unanimously—with 208 out of 265 seats, the biggest majority in Canadian history.

The country then began to realize the disadvantages of leaving one party in office and the other party out of office too long. The new Prime Minister was a successful barrister-at-law (it was said of him, I do not know how accurately, that he had defended twenty-eight men against charges of murder and never had a client hanged) but he had never in his life directed the activities of other people. Nor had any of his Ministers. Most of them, for many years, had spent the greater part of their time in Parliament, offering querulous opposition while the Liberals ran the country. Notwithstanding constitutional theory to the contrary, this is not the best training for the art and science of government.

Things began to go wrong. This state of affairs was not always or entirely the new Government's fault—the economy was sagging anyway, unemployment was high, and any Government would have been in

trouble—but in addition there was a lack of competence, a lack of firm decision, a general and growing sensation of drift.

Gradually the Diefenbaker Government lost the confidence of the whole of Canada's 'Establishment'—the business and financial community, the intellectuals, the press, the whole of what considered itself to be the opinion-forming element of the populace. Since the Government had managed to put itself on bad terms with *both* Washington and London neither the pro-British nor the pro-American voter had any reason to support it. The Liberals had good reason to enter the 1962 campaign with confidence that they had been in the wilderness long enough, and were now about to resume their rightful place in power.[1]

In the event, things did not quite work out that way—not in 1962 nor even in 1963. The Pearson Government commands by far the largest group of seats in Parliament today, about thirty more than the badly demoralized Conservatives and more than twice as many as the two minor parties put together.[2] Even without a clear majority, it has survived the first few votes of confidence and there is nothing to indicate that it will be brought down on any issue in the near future. Nevertheless, its position is weak, even weaker than mere arithmetic shows, and weak in a way that is not good for Canada.

Four main divisions

Canada did not simply turn over when she turned away from the Diefenbaker Conservatives. Instead she broke up into at least four pieces and probably into even more pieces than that.

The 95 seats that the Conservatives still hold are virtually all of one type—representing the prairie provinces, rural Ontario, and about half of the Maritime provinces. Their voters are mainly farmers, plus a few small-towns folk—ordinary people, rather aggressively ordinary, with a deep distrust of big cities, big business, and big people, or people who fancy themselves big. John Diefenbaker is still their champion.

The Liberal constituencies are mainly urban to metropolitan. It is a fair generalization to say that the sophisticated people of Canada voted for Pearson's Liberals. But an important fraction that might have voted Liberal voted Socialist instead—for the New Democratic Party, or NDP.

'All the Young Conservatives at my university were out working for Pearson this time,' a Canadian professor said recently. 'The Young Liberals were all out working for the NDP.' The reason for this was largely, though not entirely, a decision on the part of the Liberals to accept nuclear weapons. The Diefenbaker Conservatives had no nuclear policy at all—they accepted all the carriers for nuclear warheads, were

[1] See 'Canada at the Polls', by Donald Gordon, in *The World Today*, July 1962.
[2] The final results were: Liberals 129 seats, Conservatives 95, Social Credit 24 and New Democrats 17.

even manufacturing some of them under licence, and then balked : carrying out the plain commitment to arm the weapons they had agree to take. But a lot of Canadians think Canada should have refused to hav anything whatever to do with nuclear weapons, and the only party th: flatly and wholeheartedly accepted that stand was the NDP. This w: not the only issue that attracted votes to the Socialists—the NDP is Labour party and its vote is mainly a Labour vote—but it probably a counted for most of the switches from Liberal to Socialist, and therefo probably caused a few Liberal defeats.

In any event, the main body of Pearson supporters comes from th places that used to be Conservative, and are still largely conservative wit a small 'c'. That is one of the several new elements of instability i Canadian politics. Another, far more important, is Quebec.

The problem of Quebec

French-speaking Quebec has always been regarded as a Liberal bastio since the days of Sir Wilfrid Laurier. It was because Quebec staye Liberal that the Conservatives fell short of their majority in 1957, an even in the Diefenbaker landslide of 1958 one-third of all Quebec sea remained Liberal. Since then the Conservatives had lost even mor ground in Quebec than they had in the rest of Canada, and it was gene ally taken for granted last year that Quebec had returned to the Liber: fold. This was not so, however. The French-Canadians had certainl turned against the Diefenbaker Tories, but they had not turned back t the Liberals. Instead they voted in terrifyingly large numbers, enoug to carry twenty-six seats and threaten a dozen more, for a curious part of currency cranks known as Social Credit.

To deal with it briefly, the theory of Social Credit is based rather loosel on the writings of an Englishman, Major C. H. Douglas, and its basi idea is that currency reform can cure all ills. The Social Credit Part defeated old and decayed provincial Governments in Alberta (1935) an British Columbia (1952), and they have been in power there ever since They found themselves constitutionally unable even to try to put Soci: Credit theory into practice, however, and they settled down into fairl orthodox and, in Alberta, rather conservative administrations.

Quebec Social Crediters, or *Créditistes*, were different. They were le by a second-hand-car salesman named Réal Caouette, a rabble-rousin orator in the rustic dialect of Quebec's rural and urban slums. He ha two campaign slogans: 'What have you got to lose?' and 'You don't hav to understand Social Credit in order to vote for it.'

French-Canadians are not fools. They knew perfectly well, when the voted for this mountebank, that there was not the slightest danger of hi coming to power. In voting for him they were simply uttering a screec of protest against both the old parties (in Quebec the Socialists hardl

exist). They were making a final and, as it turned out, a successful attempt to make the old parties listen, after they had for generations turned deaf ears to the grievances of the French-speaking against English-speaking Canadians. These grievances are genuine. French-Canadians feel, quite justly, that they are not treated as equals in any part of Canada except in their own Quebec, and in some important respects not even there. Equality is what French-Canadians are now demanding, and no party has any chance in Quebec that does not promise them equality and then do something positive to make the promise good.

The temporary instrument of this French-Canadian protest, the *Créditiste* party, has already fallen to pieces. Split by internal squabbles and a rash of resignations by leading members, it has ceased to be a threat to the other parties. But this does not mean that the French-Canadian grievance has ceased to be a political issue—it is still and will remain a very important one, and it makes the Quebec wing of any party a volatile, sensitive, potentially rebellious faction.

This is the strange unstable amalgam over which the minority Government of Lester Pearson now presides. And this is why the policies of that Government must primarily be wound-binding policies, protective policies in the most general sense, policies that will protect the national identity of Canada.

Such would seem a fair description of the measures that have emerged so far from the Pearson Government's much-publicized, much-satirized 'Sixty Days of Decision'. It is the kind of campaign slogan that inevitably proves embarrassing to a Government once elected, but the programme at least seems coherent. Without trying to add up the score of decisions taken, one can see the general pattern that they form.

First, there are to be capital funds for development in areas of slow economic growth, with tax holidays and other privileges for new industries established in such areas, and extra help for hard-pressed municipalities. These are bread-and-butter measures to meet bread-and-butter problems, with few innovations of principle but a considerable enlargement of scale.

Steps are also to be taken to encourage and protect Canadian ownership of Canadian resources; just which of these steps will actually be taken is not certain at the time of writing. The most drastic of them, a 30 per cent tax on take-over bids by foreign buyers of Canadian corporate stocks, was withdrawn even before Parliament had a chance to debate it. The Government explained with embarrassment that the anti-take-over tax would have been 'too difficult to administer'; alternative measures to the same end were promised but have not yet emerged. Other tax measures, frankly discriminating against foreign ownership, have been allowed to stand.

The flurry over the new taxes was complicated, and somewhat obscured, by a simultaneous flurry over the men who devised them. Three

Toronto business men were sworn in as temporary officials of the Department of Finance. The Opposition cried scandal; the Government explained, again with embarrassment, that there was no impropriety, since the trio had been duly sworn and made liable to the Official Secrets Act. The Government survived a challenge vote on the issue in Parliament, but emerged with its reputation for competence and unflappability somewhat impaired.

These distractions should not be allowed to delude foreign investors about the nature of this legislation. It arises from an apprehension that all Canadians share. No country in the world, of comparable industrial maturity, has so large a fraction of its economy controlled from abroad—two-thirds to three-quarters in the case of several key industries, and in a few extreme cases even higher. All Canadians are disturbed by this fact. Any Government of Canada may be expected to take some action to correct it.

But perhaps the most important of Government 'decisions' is one of which the effect will be wholly internal, namely, an attempt to bind up the oldest and deepest wound of all, the schism between Catholic French-Canadians and predominantly Protestant English-Canadians. In the past it has been customary to pretend, especially in speeches abroad, that the schism does not exist. Perhaps some English-Canadians even believed this. If so, they have been undeceived. It is now apparent that very old and bitter prejudices are involved here, on both sides.

It may seem an exaggeration even to use the word 'decision' to describe the setting up of a Royal Commission in bi-cultural problems, but it is hard to see what else could have been done. The only achievement so far is that English Canada now admits that French Canada has certain grievances. Not enough is known, by either group, about how those grievances affect people's lives and what can be done by legislative action to remove or reduce them; but even the recognition that they exist is a step forward.

All these measures would be pitifully inadequate if Canada's identity were in dire peril, or her wounds as terrible as this article may have made them appear. The fact is that any list of Canada's political problems is bound to exaggerate them, merely by listing them. They always sound more terrible than they are. Canada as a nation has never made political or economic sense, and never will. The nation survives anyway, for other reasons.

In Canada, to a rare degree, patriotism is apolitical. When a Canadian says he loves his country, he means it in the most literal sense—he might love his country while disliking each and all of his 19 million compatriots, especially those in charge of the nation's affairs. His loyalty is not to political institutions, all of which are borrowed and to half the population even alien, but to the land itself, the vast and beautiful land which is seven-eighths empty and likely, thank God, to remain so.

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Note of the month

The Sino-Soviet dispute and international congresses

THE Sino-Soviet ideological talks opened in Moscow at the beginning of July against a background of silence from the Kremlin and vituperation from Peking. In the opening sessions Chinese propaganda for the world at large dwelt on the incidents only a few days earlier in Moscow when the Peking delegates to the World Congress of Women were prevented from putting their case from the rostrum in the manner they wished. Their treatment in the Soviet capital, affirmed Peking, showed that the Soviet delegates manipulated the Congress to follow the Moscow line.

This Congress of Women unexpectedly held the headlines at the end of June by the way in which it brought the animosities of the intra-bloc struggle into the open. It started off as just another show of verbal force by one of the bigger international communist fronts, the Women's International Democratic Federation. In close on twenty years of existence the WIDF has never succeeded in masking its communist background. No major non-communist women's organization has had any dealings with it, although in the last year or two it has attracted a certain amount of support from some of the newer African bodies on the strength of its national liberation policies. As with all the communist fronts, the bulk of the membership and finance comes from within the Sino-Soviet orbit. Following the usual pattern of such rallies, the Moscow World Congress of Women was preceded by a big fund-raising campaign in Russia, which was repeated in the other East European countries. This fund-raising serves the dual purpose of keeping a rather dull subject alive in the minds of the people at the same time as it reduces the burden on the national exchequer.

Congresses such as this have in the past been rubber-stamping events, organized to impress the people at home with the backing given by the non-communist world to Soviet international moves and proposals, and, at the same time, to show people abroad that Soviet policies are determined on a basis of democratic strength.

On more than one occasion at the Women's Congress the Italian delegates walked out in protest. But it was the Indian delegation's presentation of their case on the Sino-Indian border dispute which led to Peking's protests. At the time of the Indian statement, the British chairman of the session refused to allow the Chinese the immediate right to reply, saying

that this was a question for the steering committee. The Chinese tried to press on regardless and the resulting chaos was icily reported by the New China News Agency as an 'obviously organized uproar'. Not only was the hearing of the Chinese case refused, but also that of her supporters at the Congress; as Moscow Radio itself stated in an Albanian transmission a 'crushing majority' of delegates had refused to hear the Albanian and North Korean delegations' explanation of their position on the voting.

Despite the tone of the resolutions passed and the triumphal appearance of the woman astronaut Tereshkova, the meeting was a failure as a symbol of monolithic solidarity. In this sense the WIDF is the latest of the communist fronts to reveal the strain placed on their internal structure by the ideological troubles.

Most notably affected is the peace movement as represented by the World Council of Peace. This has always been regarded as the main platform for Soviet foreign policy demonstrations, but on several recent occasions its meetings have been marred by the Chinese. In March this year the Chinese delegate at the WCP Presidium meeting in Malmö Sweden, put forward the Peking view that national liberation must precede disarmament and the attainment of peaceful coexistence, Soviet-style. The thesis that disarmament is not possible until national liberation is complete dominates the Chinese case and hence the main political talk at all such conferences. In December 1961 the World Council of Peace business meeting in Stockholm was taken up with the conflicting themes of disarmament from the Soviet side and of national liberation from the Chinese. This was repeated at the Afro-Asian Writers Congress in Cairo in February 1962, when the Chinese objected to proposals to send greetings to the WCP, objections which were met with a public rebuke from the Soviet delegate. In July 1962 the Chinese continued to press their point at the Congress for General Disarmament and Peace held in Moscow under WCP auspices.

By the beginning of this year the World Council of Peace was turning into a Sino-Soviet brawling ground. Its international standing was further weakened in a different direction when its delegates were refused representation at the Oxford Conference of Non-Aligned Peace Movements in January, on the ground that it was an aligned body. A meeting of the Council scheduled for Warsaw in June was cancelled at the last moment, with the vague forecast that it would be convened later in the year.

The World Federation of Trade Unions has also been burdened by the dispute. It has faced a clash over the European Common Market, which is supported by some of its European members but opposed by the Chinese; the issue has been side-tracked by a policy of agreeing to differ. More important, however, is the Indonesian proposal to organize an Afro-Asian Workers Conference in Djakarta later this year. It was origin-

ally planned for May and then postponed, and the idea has been attacked by a WFTU vice-president, the Indian trade union leader S. A. Dange, as providing yet another ideological battleground. The Indonesian proposal is being zealously peddled by the Chinese, who have been canvassing all the visiting delegations from Africa and Asia they could muster. It seems certain, however, that the Soviet Union will not have any delegates' rights at the conference, despite the existence of the Soviet Asian republics. In the face of this rebuff announced in mid-June, the WFTU secretariat called all its affiliates in Asia and Africa to a consultative meeting in Prague at the end of July to conduct 'a broad exchange of opinions'.

Other organizations have also suffered from the intra-bloc dispute. The Scientific Workers Seventh General Assembly in Moscow in September 1962 was hampered in its resolutions by the extreme 'anti-imperialist' views of the Chinese, and the impasse created was resolved only by the Chinese absenting themselves from the final session. The World Federation of Democratic Youth and the International Union of Students both brought discredit on conferences organized in Algiers and Tunis in March and April this year because the Sino-Soviet dispute pushed out matters of immediate African concern. This issue also irritated the earlier Moshi conference of the Afro-Asian Peoples Solidarity Organization held in Tanganyika in February 1963.

Both the WFDY and the IUS have recently been the victims of forgeries designed to weaken their standing in the Afro-Asian world. In the case of the WFDY, a statement was issued on the recent troubles of African students in Bulgaria suggesting that African and South American youngsters could not be as 'socially responsible as the more important ones from European and Arab environments'. In the case of the IUS the forgeries were more elaborate. The first was a fake IUS pamphlet written in a tough ideological jargon not employed by the IUS pamphleteers since the days of Stalin. This appeared at the time of the IUS Congress in Leningrad last September and was promptly denounced by an IUS circular. On 30 January this year a second circular appeared under IUS letter-heading, with the avowed objective of further correcting the 'slanders and distortions of this provocative brochure'; the wording of this circular served only to confirm the communist nature of the IUS. Somewhat later, on 3 March, a further circular from the IUS in Prague denounced that of 30 January as yet another forgery! To what extent the Chinese had a hand in this elaborate deception is not clear, though the second forgery took the opportunity to say that the first forgery 'is not of Chinese origin'. But it certainly further confounded the confusion already created in these youth and student circles by the wider dispute.

A similar situation exists on the journalist front. For a long time the International Organization of Journalists has been trying to convene a meeting with non-affiliated national journalist organizations. It hoped to

gain support for this from a conference of Afro-Asian journalists held in Djakarta in April, organized by the Indonesians with strong Chinese support. The meeting was held, but the IOJ and the Russians were given only observer status. They therefore played no direct role in setting up the Chinese-orientated Afro-Asian Journalists Association, with affiliates in forty-eight countries. Spurred on by this success, the Chinese are now urging the holding of an African, Asian, and Latin American journalists' conference in the near future.

For its part the IOJ is behind the third World Meeting of Journalists to be held in September this year on board the Soviet ship *Lettonia*, which will sail from Naples to Beirut, visiting Algiers, Tunis, Tripoli, and Alexandria on the way. The meeting is being organized by the International Committee for the Co-operation of Journalists, an offshoot of the IOJ, and it is hoped that by holding it on board ship a greater control can be exercised over undesirable external influences.

There seems every sign that the present intention of the Chinese is to set up their own system of international fronts. This already seems to be the case with the Afro-Asian workers' and journalists' organizations, and something similar may emerge with the proposed setting-up of a Chinese Regional Centre of the World Federation of Scientific Workers. Recent reports from Peking also show that the Chinese are using the Peking-based Asian and Pacific Peace Liaison Committee, set up ten years ago as a WCP regional centre, to propagate their views on national liberation and peace.

In the meantime the existing fronts have nothing very significant in view for the coming months. The WCP Council meeting is vaguely scheduled for later in the year, while the IOJ is having its Mediterranean cruise in late September. Already postponed once, a conference is being held by WFTU in October in Bucharest on problems of women workers, with a smaller building workers' conference in September.

If normal practice were to be followed, now is the time for planning to begin on the next World Youth Festival, which should be held in 1965, following that in Helsinki last year. So far, however, nothing has been said. It may be that the difficulties and high costs of these festivals, particularly in recent years, may outweigh their propaganda value in Moscow's eyes. But the possible platform they could give to the Chinese is even more important.

JOHN BOYNTON

Political control of the Chinese army

JOHN GITTINGS

EFFECTIVE political control of the armed forces is essential for the success of any Government. The Chinese, with their long experience of warlord politics and armed revolution, are particularly sensitive to this problem. From 1955 onwards a wide variety of campaigns has been launched in the People's Liberation Army in order to raise the level of political education and to ensure Party control. The promulgation, on 27 March of this year, of the *Regulations Governing P.L.A. Political Work*, described as 'an event of great and profound significance', indicates that the goal of 'Politics in Command' is still far from being fully achieved, and it raises the question of the extent to which the army may be antagonistic to current Party policy.

The fundamental principles of Party control over the army were first formulated by Mao Tse-tung himself at the Kutien Conference of the 4th Red Army in December 1929, and have remained unchanged since then. Mao, with much justification, has attributed the success of the Communist revolution to the observance of the principle of Party control. To the Chinese in retrospect, those were the halcyon days of revolutionary vigour, when the trilogy of Army, Party, and People were united 'like bone and flesh, like fish and water'. Although this triangular relationship was in fact by no means free from friction, it remains true that Party leadership of the army and close relations with the local populace were both essential and natural in the circumstances of armed resistance.

In this respect, the Red Army followed the tradition of previous popular insurgent movements in China. A land-based army—in contrast to the city-based forces of the established Government—depends for its existence on a high degree of peasant co-operation. This can only be achieved by an equitable economic policy, a close identity of military and civilian leadership, and the strictest army discipline, features which were equally characteristic of the Taiping Rebellion in its early years. In a guerrilla war of resistance, economic and military objectives are closely linked. The Communist army, under the slogan of 'a gun in one hand and a hoe in the other', shared the responsibility for the protection and production of crops, while the peasant militia and home guards were associated in the over-all military strategy. The extermination campaigns

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of both the Kuomintang and the Japanese, which affected peasants and Communists alike, only served to strengthen this organic sense of unity between army and people. Party control of the army was also encouraged by the need for unified leadership and planning. Most military commanders were concurrently government or Party officials, while the relatively slow numerical expansion of the army (from 80,000 in 1937 to 500,000 in 1945) allowed time for intensive political education.

Reforms in the army after 1949

The rapid Communist military and territorial expansion of 1946–9, culminating in the Liberation of mainland China, gave rise to an imbalance in the army's structure and composition which represented a potential threat to the stability of the new regime. Military policy after the Liberation was based on the need to rationalize and to modernize the armed forces. From an army of less than 1 million in 1946, the P.L.A. had expanded to over 5 million by 1949, of whom at least half were former puppet or KMT troops. An army of this nature was clearly both a political liability and an economic burden, and it was intended to demobilize a large part of the standing army, to cut back the military budget, and to transfer units to production work. However, the outbreak of the Korean War both delayed the process of demobilization and increased its dimensions. A further 2½ million volunteers were recruited during the war, while the number of veteran soldiers, who were to form the backbone of the army's peacetime establishment, was seriously depleted. By 1955 a total of over 5 million regulars and volunteers had at last been demobilized, raising a further problem of resettlement.

Parallel with demobilization, the army was to be 'modernized' on the Soviet model; an essentially mobile and guerrilla force was no longer considered appropriate to the needs of national defence. Here the Korean War proved an incentive, particularly in the fields of technical equipment and air warfare, while extensive reforms in the command, organizational, and training systems of the army were carried out under Soviet guidance. The militia forces were expanded to provide a reservoir of manpower for conscription, which was formally introduced in 1955, with an annual draft of 500,000 for a three-year term of service. In the same year a new code of discipline was introduced, together with a comprehensive system of military awards and ranks, under which, for the first time in the history of the P.L.A., all officers and men were required to wear rank insignia. Officers' wages, which had previously been commuted in kind, were now to be paid in cash. A complete reorganization of the structure and command systems of the P.L.A. was put through in 1954. The six military districts, set up after the Liberation with wide powers of civil jurisdiction, were abolished and replaced by thirteen of lesser size. Command was centralized in the General Staff Departments under the Ministry of

Defence, and the leading military commanders were promoted from the field to desk appointments.

These reforms, although a necessary part of the army's conversion to a peacetime footing, brought about rapid changes in its role and composition, which gave rise to an estrangement in its relations with both the Party and the civilian population. In the space of five years it had changed from a largely guerrilla force of volunteers to a conscript army staffed by professional career officers. No doubts at the time were expressed about the desirability of such a rapid transformation, which was described as the 'great historic transition of the P.L.A. from a lower stage to a higher stage';[1] it was regarded as a necessary qualification for Great-Power status. This attitude reflects the uncritical acceptance at that time of the Soviet Union as a model for national reconstruction.

Overt dissatisfaction with the army was first expressed towards the end of 1955 and the following 'deviations' were specified: non-coöperation between officers and men, worsening relations between army and people, and a lack of respect for Party control. The rise of a professional officer caste, most of whom were recent graduates of the new military academies set up during the Korean War, and the replacement of volunteers by untrained conscripts had weakened the traditional comradeship between officers and other ranks; there were numerous complaints of 'Big Bossism', of excessively harsh discipline, and of arrogation of privileges. The incentives towards close co-operation between army and people which existed before Liberation no longer applied to the same extent; the bulk of the army was now a garrison force, making no direct military or economic contribution to the livelihood of the local civilian populace. Lastly, the emphasis on the role of technology and on professionalism had produced a sense of impatience with the system of Party control, expressed by the attitude that 'technology comes first', and that 'we military men are too busy to study'.

During the years 1957–8, a rapid succession of campaigns was launched in an attempt to rectify these basic 'deviations' in the army. Officers' privileges were curtailed, and their families and other dependants were directed to return to their native homes. In the 'Officers to the Ranks' movement, introduced in September 1958, officers of all ranks were required to serve as privates for a period varying from one month to a year, while some were transferred to active service in units on the frontiers. Particular emphasis was laid on improving relations with the people; requisitioned land and property was returned to civilian ownership, soldiers were encouraged to spend their leave doing agricultural work, and civilians were invited to criticize the conduct of local army units. Political education was stepped up, with a five-year compulsory pro-

[1] See New China News Agency, 1 August 1953: 'Chu Teh Speaks at Peking Army Day'.

gramme of theoretical education for all officers (introduced in 1957), special courses for all cadres to study Mao Tse-tung's military theory (inaugurated in March 1958), and a general programme of socialist education for the rank and file.

The more critical attitude adopted towards the army after 1955 reflects a shift in national priorities as envisaged by the Chinese Communist leadership. With the ending of the Korean War and the consequent reduction in tension, purely military considerations were increasingly subordinated to those of national reconstruction. The army was now expected to play its part in the restoration of the economy, and no immunity was granted from nation-wide campaigns which might conflict with military requirements. This was made clear by the then Minister of Defence, P'eng Teh-huai, at the 8th National Congress of the Chinese Communist Party in September 1956:[1]

> The Chinese people need an environment of lasting peace for their socialist construction and they also need a modernized revolutionary army to cope with any possible accident and safeguard the nation's socialist construction. Our responsibility is to adequately unify the two and we must, therefore, in the course of modernizing our army, cope with the needs of economic construction of the State, exercise every economy possible, oppose waste, take into consideration the people's interests both in production and living whenever measures are taken for military construction, maintain a close tie between our army and the people, and promote the frugal style of work of the people's revolutionary army.

Thus the campaign for 'diligence and thrift' of 1957 was to apply as much to the P.L.A. as to other sectors of the community. Although it was recognized that there exists a contradiction between 'the demand to spend less of the State's funds' and 'the demand to ensure the needs of national defence', this contradiction was to be solved solely by 'the rigid practice of economy'.[2] Military expenditure, which in 1955, at the height of the modernization movement, had totalled 6,500 million yuan, was reduced to 5,000 million by 1958. Military privileges were curtailed and rations were lowered, while departmental expenses were cut by one-third. On the economic front, the number of work-days to be contributed by the army to production work was stepped up to 20 million in 1957 and 30 million in the next year. Examples of the practice of economy during this time range from the rearing of hogs in army camps to the use of makeshift equipment and dummy ammunition: army units took part in sowing, harvesting, land reclamation, and other similar agricultural tasks. These

[1] NCNA, 19 September 1956. P'eng Teh-huai: 'The Chinese People's Liberation Army'. (Translated in *Current Background*, No. 422, American Consulate General, Hong Kong.)

[2] *Liberation Army Daily*, 15 December 1956, Editorial. (*Survey of China Mainland Press*, No. 1476, American Consulate General, Hong Kong.)

measures could hardly fail to have an adverse effect on the pace of modernization, the quality of training, and on army morale.

Reappraisal of policy in 1958

It is this kind of divergence between national and military priorities which has been largely responsible for the growth of friction between the army and the Party leadership. It became particularly marked in 1958, the year of the Great Leap Forward, of the Off-shore Islands crisis, and of the 'Everyone a Soldier' campaign. The Hundred Flowers movement of the previous year had exposed in the army—as in other walks of life—the existence of 'bourgeois right-wingers' who 'clamoured for the abrogation of Party leadership'. What is significant is the failure of the subsequent three stages of rectification to eliminate this type of opposition, in contrast to the success of the rectification campaign elsewhere.[1] It seems that the persistent interference by the Party in military matters had only served to increase opposition within the army to political control. Charges were now made of 'warlordism' among officers, and it was even alleged that 'the superiority of socialism to capitalism is not yet fully settled in the minds of some cadres.'[2] In August 1958, criticism of the army's political reliability reached a new peak with the publication of an article by Chu Teh in commemoration of Army Day:[3]

> There are people who advocate an exclusively military viewpoint, who have a one-sided high regard for military affairs and look down on politics, have a one-sided high regard for vocation and technique and look down on ideology, have a one-sided high regard for the role of the individual and neglect the collective strength of the Party and the masses. They only deal with tactics and techniques, but not strategy; they only want the army but neglect the function of the masses of the people; they only pay attention to national defence, but not to the significance of the economic construction of national defence. In essence this is a kind of manifestation of bourgeois military ideas. It is contrary to Marxist–Leninism.

The radical turn to the left of Chinese policy in 1958 could hardly fail to alienate army support. Implicit in the strategic reappraisal which took place at this time was a denial of the decisive role of the military: if men, not weapons, determined the outcome of war then a modernized and professional army was no longer a first priority, and if the people were the ultimate reservoir of power, then the army was no longer crucial for national defence. The failure of the Off-shore Islands campaign to pro-

[1] See 'Criticism and Counter-Criticism in China: Effects of the "Rectification" Movement' by Roderick MacFarquhar, in *The World Today*, November 1957.

[2] *People's Daily*, 27 January 1958. 'Propaganda Work Conference for Whole Army.'

[3] NCNA, 31 July 1958. Chu Teh: 'People's Army, People's War'. (*Current Background*, No. 514.)

duce any military success, and the rapid expansion of the People's Militia, contributed to the army's resentment. The militia was to share the burden of defence on equal terms with the army, it was to include every able-bodied man and woman in China (some 220 million), and was to be a permanent fixture of society, a 'proletarian revolutionary militarization'. It is now known that opposition to the Great Leap Forward was led by the Minister of Defence himself, P'eng Teh-huai, and his Chief of Staff, Huang K'o-ch'eng.[1] In his criticism, P'eng went so far as to attack the basic political and economic policies of the Party and lobbied for support from the Soviet Communist Party. P'eng, Huang, and other 'rightists' who supported him at the Lushan Plenum of the Central Committee in August 1959 were dismissed from office a month later.

This episode must have revealed to the Party leadership the serious extent to which the army had lapsed from their control. It was necessary for Lin Piao, the new Minister of Defence, to pose the blunt question: 'Is it still important to put politics in command?' The answer was an emphatic 'Yes', and under his direction a new attempt has been made to reassert Party control, attacking the problem at every weak point: the rank and file, cadres, officers, and the structure of political control.

Political education among the rank and file

By 1958, conscription had been in force for three full years, and the proportion of conscripts in the P.L.A. had risen to 60 per cent (1½ million), a figure which has remained constant since then. All privates in the P.L.A., as well as a considerable number of basic-level cadres, are now national servicemen and their average age is between eighteen and twenty-two. The military training and political education of these recruits is recognized to be a major problem; it is also a recurring one, since 500,000 soldiers are replaced every year by new conscripts. Apart from their lack of military skills, these young men come from a new generation which has not shared the revolutionary experience of pre-Liberation days, and is therefore less apt to appreciate the 'glorious role' which they can play in the P.L.A. Some have been described as 'susceptible to the corruptive influences of bourgeois ideology', or as 'failing to understand the need for military service'.[2] National servicemen of most other countries will no doubt share this opinion.

Since the appointment of Lin Piao as Minister of Defence, persistent efforts have been made to raise the level of political education among the rank and file of the army. The Party leadership is now attempting to get its message across to the individual private rather than to his company com-

[1] For a full account of this intra-party dispute see 'The Dismissal of Marshal P'eng Teh-huai' by David A. Charles, in *China Quarterly*, October–December 1961.

[2] Liu Chih-chien: 'Strengthen Ideological and Political Work among Youth in the Army'. (*Survey of China Mainland Press*, No. 2503.)

mander, and to involve the ordinary soldier actively in political life. He is encouraged to join the local branch of the Young Communist League, or of the Revolutionary Servicemen's Committee (the soldiers' Club), and to compete in the Five-Good campaign,[1] which calls for excellence in political ideology, military technique, style of work, fulfilment of tasks, and physical education. In practice emphasis is laid only on the first of these five qualities. Soldiers are required to sing the old revolutionary songs, to visit exhibitions, read memoirs, and listen to reminiscences of the hard and bitter struggle before Liberation.

This deliberate attempt to evoke the past has been dramatized by the recent publicity given to the 'Good Eighth Company on the Nanking Road'.[2] Here is a company which for the past fourteen years has resisted all the temptations of life in the corrupt city of Shanghai—money, wine, and evil but beautiful women, refusing to be seduced by the 'sugar-coated bullets of the bourgeoisie'. The moral of this parable is that times may change, soldiers may come and go, but the glorious revolutionary traditions must for ever be upheld, and it is implied that various army units have failed to uphold them. Under present circumstances, most soldiers are stationed in or near urban centres, and have no active military experience during their period of service. The use of a revolutionary mythology is apparently intended to raise the standard of discipline and to intensify by comparison the benefits of life under the People's Republic, a process known as the 'recollection of past bitterness and appreciation of present sweetness'.

The new Regulations

The system of political control over the army is described as one of 'individual responsibility by military commanders under the collective leadership of Party committees'. This is a particular application of the general rule, contained in the Constitution of the C.C.P., that 'Party organs at all levels should carry out collective leadership and the principle of integrating the responsibility of each individual', and conforms to the broad principle of democratic centralism. Thus decisions on policy are taken collectively by the Party committee at the appropriate level, and are then implemented by either the military commander or the political commissar of that level, depending on whether the matter comes under the category of political or military work. Meanwhile the Young Communist League and the Servicemen's Committees are responsible for education and propaganda among the ranks with regard to the decisions taken.

This system has been in existence since the formation of the Red Army,

[1] The Five-Good campaign was introduced in May 1958 and revised in September 1960. A similar emulation movement, the Four-Good campaign, applies to army companies.

[2] See article under this title in *Peking Review*, 24 May 1963.

and it has been restated in almost identical terms whenever the question of political work and control has been raised. The remarkable feature of the new *Regulations Governing P.L.A. Political Work* lies in the fact that it is considered necessary at this juncture to re-state and to re-emphasize a system which one would have supposed to be already actively in function.[1]

It is in fact implied that although the system exists on paper, it has not been fully implemented, and cadres are now urged to 'turn the regulations into positive work'. The statement that 'following the establishment of the system of Party committees and political commissars, an effective system of political work must be established' raises the question of how effective the system has previously been. A warning against 'the tendency of unilaterally pursuing a purely military viewpoint and leaning towards militarism' suggests that army commanders have been showing signs of independence from Party control, and the Regulations stipulate that in future both political commissars and military commanders shall be army unit leaders, again implying that the customary balance of power between army and Party has broken down. Political commissars and political work organs are now to be installed in all army units down to the level of company, 'forming a complete leadership and work system for carrying out political assignments from the upper down to the lower level'.

There is a hint at the real object of these Regulations in their stipulation that

> efforts must be made to study and utilize Chairman Mao's works in a flexible way, to convey the directives and resolutions of the Party, keep a firm grip on the ideological trends among all army units . . . overcome erroneous tendencies and prevent the corrosive influence of modern revisionist and bourgeois ideology.

One may deduce from this that not only have army officers failed to observe the existing regulations on political control, but that they may even have queried present trends in policy. Previous directives to the army in recent years have been chiefly concerned with rectifying institutional and ideological defects, but it has not been considered necessary to issue regulations on political control since the Draft Regulations of 1954. Even this Draft was not at the time published, and it is probable that during the heyday of modernization it was not fully observed. The new Regulations go to the root of the problem of political control: how to ensure that Party policy is not only promulgated but also enforced throughout the army. The need to communicate directly with the individual soldier at the lowest level has been repeatedly emphasized in recent months. Political

[1] The Regulations have not been published in full in any available source. The gist of them is summarized in *Liberation Army Daily*, 8 May 1963, Editorial: 'Raise Aloft the Great Red Banner of the Thought of Mao Tse-tung, Resolutely Implement Regulations Governing PLA Political Work'. (*Survey of China Mainland Press*, No. 2894.)

cadres have been directed to carry out what is called 'Face to Face Leadership',

> to bore deep into the companies all the time, to work on the spot, to do things thoroughly, and through giving verbal instructions in person to guide the companies directly in work, and to exercise dynamic leadership.[1]

Effects of the Sino-Soviet split

In addition to the customary grievances at the continued economic and political demands made by the Party on the army, and the inherent conflict between the professional officer and the Party cadre, it is very possible that opposition still exists within the army to certain aspects of foreign policy, as it did under P'eng Teh-huai in 1958–9. The growing rift in Sino-Soviet relations has almost certainly retarded China's development of nuclear weapons, and one may assume that the Chinese army, in common with the armies of other countries, regards such weapons as a desirable addition to its armoury. Whether or not the Russian programme of scientific and technical assistance to China, initiated in 1955, included assistance in the development of nuclear weapons, the supply of enriched uranium in exchange for raw uranium from Sinkiang, as envisaged in the agreement, undoubtedly furthered China's nuclear programme. It is evident, however, that no such Russian aid is being offered today.

Secondly, whatever the extent of the Russian guarantee of nuclear protection to China before 1958, it can hardly be of any military value now. The strategic implications of a break in the Sino-Soviet alliance may be viewed with some alarm by the army, many of whose officers were commissioned at a time of close military co-operation with the Soviet Union and may still have contacts in the Soviet army.

Does this dissatisfaction at the present trend of policy extend to the upper echelon of military command? The actual formulation of military policy is in the hands of the Military Committee of the Central Committee of the C.C.P., a body whose membership appears to correspond broadly to that of the Party's Political Bureau, and thus military and political leadership at the highest level is virtually identical. However, the position of the Ministry of Defence and the General Staff is somewhat ambiguous. They form the vital link in the communication of policy downwards to the army and have to reconcile the demands of national defence with those of the general political line. Since the reorganization of the High Command in 1954, six out of the eight Heads of Departments have been replaced at one time or another.

These officials, all of whom were high-ranking Party members with long revolutionary experience, were apparently dismissed either for active opposition to the Party or for failing to carry out Party directives.

[1] *People's Daily*, 25 March 1960. 'PLA Leadership Organs exercise Dynamic Leadership'.

Lo Jung-huan, a veteran of the Kiangsi Soviet, was removed from hi posts as Head of the Political and Personnel Departments in Decembe 1956, as a result of his inability to improve the quality of political work i the army. In the following year, Liu Po-ch'eng, one of the outstandin generals of the Revolution, was replaced as Head of Training, at the en of the movement for economy and thrift in training. Su Yu, anothe Kiangsi veteran and Chief of General Staff until October 1958, was dis missed after opposing the militia and commune movements. His suc cessor, Huang K'o-ch'eng, was dismissed in September 1959 togethe with P'eng Teh-huai, the Minister of Defence, after attacking the ne direction of Chinese policy.

The present Heads of the General Staff are mostly younger men wit more experience of political work. Lo Jui-ch'ing, now Chief of Genera Staff, was the Political Director of the 8th Route Army, and his deput at that time, General T'an Cheng, is now Political Head. Hsiao Hua Head of Personnel, is another political expert. Yet T'an Cheng is now apparently in disfavour, having been removed from the Central Committee Secretariat after the Tenth Plenum of September 1962. Even the position of Lin Piao, Minister of Defence, is now uncertain. He has been absent from public life since mid 1962, and although he may be suffering from a recurrence of a previous illness, it is also possible that he is opposed to the extreme turn which the Sino-Soviet dispute has taken. Lin was not associated with the Regulations on political work, though in the past his name has invariably been included in similar documents.

One cannot, on the basis of the evidence available, attempt to characterize the army or its leadership as either 'pro-Soviet' or 'anti-Mao'. Such descriptions are quite inadequate to convey the complexity of the dilemma in which any military official must at present find himself. It may however be deduced that the army, by virtue of its position and its special interests, will tend to align itself with any policy which takes into account its strategic requirements and which respects its status. To this extent, therefore, it must be out of sympathy with present official Party policy. The same applies to high-ranking military officers, who may find that the logic of their responsibilities compels them to oppose policies which are inimical to the interests of the army. Yet even if the Sino-Soviet split were to heal, this would not in itself solve the basic problem of how to maintain political control of the army. The contradiction between the demands of the State in peacetime and those of a large standing army is one which has faced Chinese Governments of every complexion, whether Communist, Nationalist, or Imperial, and it is difficult to see how it can be finally resolved. The most that can be done is to maintain a compromise between the divergent interests of army and State by means of the traditional balance of power and authority, which is what the present system of Party control amounts to.

Γhe problems of South-west Arabia

,. H. JANSEN

'HE volume of news recently from the Yemen provides abundant evi-ence that in the south-west corner of Arabia the interests and policies of ıe Great Powers and of the Arab States confront and clash with each ther, both *inter se* and between the two main Power blocs. The activity, iplomatic and military, has in truth been improbably large for this some-ʼhat remote part of the world. A team of United Nations observers is now :ationed on Yemen's northern frontier; a U.N. Committee of Inquiry, fter a visit, has produced a report on Aden which has been rejected by ıe British Government; a group of British soldiers has been detained by ıe Yemenis after straying across the southern border; and the U.S. air ɔrce has opened an umbrella, or at least a parasol, over neighbouring audi Arabia, to say nothing of a sizeable Egyptian expeditionary force in 'emen herself.

It is appropriate that most of these outward evidences of a nodule of ɛnsion should be military, for at the bottom of much of the trouble is a ıilitary factor: the large British base in Aden, now said to be of 'vital' nportance. It is obviously the British intention to keep this in operation ɔr at least a few more years, perhaps as long as ten; and it is difficult to ɛsist the conclusion that this intention not only explains why and how ritain has been pulled into this imbroglio but that it has also done much ɔ create it.

Clearly the majority of the Adenis are strongly Arab nationalist and ʼish to be rid of the British presence, both civil and military. This was roved by the almost total Arab boycott of the last elections in 1959 and, ubsequently, by frequent strikes, demonstrations, and arrests. Indeed, ritain has been so hard put to it to find local political support that four f the six Ministers in the present Aden Government are men who have een found guilty of malpractice by an independent judicial inquiry.

To dilute this Adeni opposition to the British presence, of which the ase is the substantial core, Aden has recently been joined, much against s will, to the larger but more backward Federation of South Arabia.[1] This latter entity was established in February 1959 from an association of ix of the small Sultanates and Sheikhdoms of the Western Aden pro-

[1] See 'The Problem of Aden' by Gillian King, in *The World Today*, December 962.

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tectorate; the number of its members has increased since then and now stands at fourteen. Aden became a member of the Federation in March this year, despite strenuous local opposition expressed both in the form of riots and by negative votes from eight of the twelve elected members of the Aden Legislative Council and the resignation of an elected Minister. Because of this opposition, it has been found advisable to postpone for a year the elections that were due last January.

The reason why this unpopular merger should have been hurriedly pushed through is not far to seek. The Sultans are not opposed to the British presence or the British base because the British keep them in power, and the British keep them in power because they are not so opposed. Within the Federation these complaisant rulers of 700,000 people naturally outweigh the representatives of the 200,000 Adenis. The official reasons given for the merger were that Aden is too small a unit to stand alone in independence, and for the same reason it would be unable to defend itself. But it seems that the Adenis have no desire to stand alone but rather to join that very neighbouring State which alone could be a threat to them.

Though Aden's merger with the Federation has been presented as a constitutional advance, the Federation is still utterly dependent on Britain, financially and politically. Aden itself remains under British sovereignty, and the defence and foreign affairs of the Federation as a whole continue to be a British responsibility. A British subsidy of £4 million provides over four-fifths of the Federation budget excluding that of Aden, which by itself amounts to £4 million.

But this quasi-monarchical outer defence of the Aden base in which Aden has now been embedded has, since the *coup* of September 1962 that overthrew the Yemeni Imamate, been threatened by the mere existence of an activist, nationalist, and, above all, republican Yemen next door. Diplomatic niceties and arguments apart, this threat is the reason why Britain, to bolster her co-operative Sultans, has been unwilling or unable to recognize the Republic; this, too, is the reason why at one time considerable military assistance was given by some States of the Federation to the internal enemies of the Republic.

While this infiltration has probably ceased, Aden remains the most active centre of the political opposition to the Yemeni Republic. A group of disaffected southern Yemenis, of the Shafei sect, has been allowed to function there, and this gives rise to the possibility that south Yemen may be split off and put under a 'constitutional' Imam. More recently another plan has emerged from Aden, envisaging the withdrawal of both Egyptian and Saudi influence from the Yemen and the establishment of a 'neutral' but mainly tribal Government, together with a purely religious Imamate. All these suggestions have one thing in common: Yemen should not try to become a modern republic but should accept a regime similar to that

of the Federation, tribal and quasi-monarchical. This would then pı vide a second, and even deeper, protective zone between the Aden bı and the threat of Arab nationalism on the part of the republican Yemer who might, if possible, be penned into a northern enclave.

This threat has, of course, now increased by Yemen's being accept if only in principle and against Egyptian advice, as the fourth member the new federal United Arab Republic. With Nasser just across t border, in spirit and now formally, there is understandably talk in Aden rather desperate talk—of squeezing out the 100,000 pro-Nasser Yeme who provide most of the local labour force, and of replacing them w men from the Federation Sultanates, who might be expected to be m reliable.

What, it may be asked, are the military considerations that make t Aden base so 'vital'? Not, one is told by spokesmen in Aden, because any local threat, for Yemen could not threaten anyone even if she want to and, as has been said, the Adenis anticipate the opposite of danger fr Yemen. It is likewise conceded in Aden that there has been a consideral reduction in the importance of the base as a point of support for Kuw with her vital contribution to Britain's fuel supply. This is because K wait is now on good terms with Iraq, the only possible source of danger her, after that country decided to shelve its territorial claim. Also Kuw is now a member of the United Nations and, with the development nationalist sentiment in the whole Gulf area as well as within Kuwait h self, the Government could not again dare to call in British troops as it c two years ago.

Aden then, it is said, is meant as a back-stop to CENTO, as one of t chain of bases for the deterrent bombers in peace time and also for use case of a limited non-nuclear war, for which the Cyprus, Turkish, a Italian bases are too near Russia. In this role it is undoubtedly linked wi the very large, very 'hush-hush' American 'communications' base acr the Red Sea at Asmara in Ethiopia.

Several arguments may be presented against this military reasonir In general the assertion that some particular base is 'vital' has beco suspect, since, in the recent past, other 'vital' bases, in the Suez Ca zone and Cyprus, were ultimately found inessential and expendab Both these precedents likewise serve as reminders that a base surround by a hostile local population is no more than a beleaguered fortress. A in any case, in an age of rockets, static bases make little military sense.

The Aden base would seem to have more justification in its impact the local economy than on the world military balance of power. Wi 17,000 servicemen and their dependants, it puts £11 million directly, a perhaps £20 million indirectly, into Aden, and this amounts to £20 year for every Adeni man, woman, and child. The base has produced building boom of the most brash and profitable kind. This finds its fin

flowering in the agglomeration of apartment blocks known as the Maala Mile—a unique combination of a British High Street and of Main Street, U.S.A., set against Aden's lunar landscape—its presence indicated by ubiquitous air-conditioners of an atmosphere that, in the hot weather, one drinks rather than breathes.

The motivation of Arab involvement in the area has to be considered on two planes, the South Arabian and the pan-Arab. With regard to the former the argument is very simple: until 123 years ago Aden and what is now the Federation were in every way a part of South Arabia, namely what is now Yemen; they should be reunited with the motherland of which they remain an integral part in every way but the political, through ties of race, language, religion, and economics, for Aden is obviously the main maritime outlet for South Arabia.

In the campaign to bring about this reunification, which has been going on for some years, one discerns a difference of emphasis between the local nationalists of Aden, in the Socialist Party and the strong and well-organized Trade Union Congress, and the pan-Arab nationalists in the claimant country, Yemen. (This difference may be a projection of the larger struggle now going on in the Arab world between the Ba'ath Party and the Nasserists, with the Adenis favouring the separatist Ba'ath while the Yemenis are of the Nasserist persuasion.)

The Adenis confidently demand that a referendum should be held over the merger question (a suggestion that has also been made by the U.N. Committee of Inquiry) but they are somewhat hesitant when it comes to asking for the speedy removal of the base. One gathers from their obliquity that they are preoccupied with the possible loss of employment by the more than 7,000 locally employed workers on the base, and, consequently, that they might give consideration to something similar to the Cyprus arrangement with sovereign base areas paying rent and continuing to contribute to the local economy. At least, what they say in public is that the question of the base can be decided in the future only by a national Government.

On the other hand, the pan-Arab Yemenis are not at all sure that they would have a majority in a referendum if it is held with the British still present: a majority is possible in Aden, they say, but definitely not one in the Federation Emirates. And British officials agree with this assessment. This fear of official pressure is clearly reflected in the further recommendation of the U.N. Committee that a U.N. presence should be established right away, presumably to give an atmosphere of confidence and impartiality. But the Yemenis seem quite prepared to accept the economic consequences of the speedy removal of the base which, they remind one, has been making a major contribution to Aden's economy for only the last five years.

If it were only a question of whether or not Aden should merge with the

Yemen, the problem would be difficult enough but it is made larger and more complex by the fact that Yemen herself is now the centre of an inter-Arab struggle. Monarchical Saudi Arabia to the north, like the Federation to the south, cannot tolerate a dangerously suggestive republic as a neighbour. Hence the Saudi Royal Family has been using, and is still using, its considerable financial resources to aid the former Imam, with Jordan and Pakistan providing the more practical assistance.

The infiltration of arms and ammunition and, of course, money from Saudi Arabia has continued, despite an agreement, arranged by the United States in April, that this would cease in return for a phased withdrawal of Egyptian troops. Western diplomatic missions in Yemen estimate that, in the six weeks subsequent to the agreement, something like 120 trucks entered Yemen from the north; two convoys were ambushed and some of the captured vehicles were found to be carrying arms. This was the reason for the continued bombing by the U.A.R. air force of the supply points across the frontier in Saudi Arabia, which, in turn, has brought in the U.S. air force as a gesture of support to its Arabian ally.

This subversion from the north is able to impinge seriously on Yemen's internal situation because of the presence there of large numbers of tribesmen with floating loyalties. Perhaps 10 per cent of the Yemenis, the educated group, are pro-Republic, 5 per cent are genuinely for the Imam, and the rest support whoever has the most gold and guns to give away. In such a competition, wealthy Saudi Arabia can always outbribe the impoverished Republican Government.

Because of this continuing Saudi aid to the tribal dissidents, the United Arab Republic, which cannot let a young Arab republic be overrun by royalists, has every intention of keeping its 28,000-strong expeditionary force in the Yemen till the republican army is strong enough. President Nasser has confessed that he did not think that his involvement in the Yemen would be so prolonged or costly when he first responded to the republicans' plea for help. The Egyptians have suffered 2,000 dead and 1,000 wounded; the military operations have cost £30 million; and at a further cost of £28 million the U.A.R. has had to replace Yemen's antiquated currency, the Maria Theresa dollar. This massive coin is disappearing abroad, because a world shortage of silver has given its silver content more worth than its face value.

This last could amount to more than a currency reform. If the tribesmen accept the new coins, made from more utilitarian metals than silver, then the republicans could compete in bribery with the Saudis.

The U.A.R. has also had to do some direct financing of the Yemen Government, which is totally bankrupt after spending the 20 million Maria Theresa dollars found in the Imam's vaults. Most of this went on war expenditure, that is to say, subventions to the tribes; and it is not being replaced from the land taxes, that were practically the sole source of

government revenue, because these were remitted in the first flush of 'socialist' enthusiasm after the revolution.

Another internal problem that foreigners can exploit, and which they are playing on, is the old antagonism between the former ruling class of Zeidis, swashbuckling Shiah Muslims from the bare northern mountains, and the suppressed Shafeis, thrifty Sunnis from the coastal plain and the fertile southern plateaux. The Shafeis now have half the members of the twelve-man Executive Council and ten of the twenty members of the Presidential Council; but there is continuing friction and still some dissatisfaction in the south that could be exploited from Aden.

This struggle has already drawn in a variety of outside forces. A U.N. observer group, as has been said, has been installed in the north to try to prevent infiltration from Saudi Arabia; but, because of the small size of the group and the difficulty of the terrain, this will be virtually impossible to achieve. In the south, the U.N. Committee of Inquiry has suggested not only a referendum and a U.N. presence but also the dissolution of the Federation for good measure.

Having constructed a deep-water port at Hodeida for the Imam, the Russians, at the merest hint of a request, are constructing a large airfield outside Sanaa for the republican regime. This they are doing as a 'crash' job in the best American style, with men and machines being flown in in quantity. The Chinese completed an excellent asphalted road from Hodeida to Sanaa two years ago and may take on the building of a road north from Sanaa towards Saada and Saudi Arabia through territory that is largely tribal and pro-Imam. The Americans were asked to undertake this but they refused because of the obvious military implications. By comparison with all this communist hustle and efficiency, the gravel-surfaced road that the Americans are pushing through from Taiz to Sanaa seems, to the Yemenis, to be going forward with irritating slowness. Rightly or wrongly the Yemenis see this as another manifestation of a cautious neutrality urged on the Americans by their British and Saudi allies. In this particular cold-war contest the East is definitely on top.

Yemen today is without doubt the most backward country in the world. Lacking everything, she is infinitely more deserving of assistance from the United Nations than is the Congo. The U.A.R. has done a great deal on the military and also on the civilian side; and because her presence is so obvious, she will get small thanks for it. It is a pity that a mission from Kuwait's Development Fund adopted a discouragingly hard-headed approach to the possibility of lending Yemen money. This is a situation not for hard heads but warm hearts. One encouraging factor is that the Yemeni leaders have a sound, down-to-earth approach to their problems: they are not ashamed to ask for desks and blackboards for their schools, and for carpenters and blacksmiths for their 'industrial' development.

Till recently the Yemenis and Egyptians said that they had enough

problems on their hands and wanted no trouble with the Federation and the British in the south. But if Saudi Arabia and Aden keep the pot boiling, then Yemen and the U.A.R. will be tempted to turn on the easier target, the foreign non-Arab presence, to resume and expand the incidents and friction along the southern border with Aden, which went on for years, even under the Imamate. And if that happens again, Britain will find herself at odds with all the Arab countries as with most of the Afro-Asians as well. No base is worth that.

The end of the Adenauer era

BEATE RUHM VON OPPEN

THE end of the Adenauer era coincides with one of the worst crises, and potentially the most dangerous one, in both the Western alliance and the affairs of Germany. The aims of the alliance either are in question or are thought to be so—and the effect may be the same. Mr Dean Acheson has urged clarification and reaffirmation; others think this impossible or unnecessary or undesirable. Meanwhile, uncertainty persists in Germany. And this is not merely, or even mainly, uncertainty as to the nature and policy of the Chancellor's successors; it is an uneasiness about the whole policy of the alliance. Impatience with the patriarch is now coupled with fear of the loss of his legacy.

The propaganda slogan of 'the end of the Adenauer era' and the fashion for hazy and happy anticipation of what would follow have enjoyed a longevity as surprising, in a way, as that of the Chancellor himself. But fashions change.

This one started, in fact, about a decade ago, during the hard struggle to attach the Federal Republic to the Western alliance. The French, after a battle extending over years, had killed their own plan for an integrated European army. During the rescue operation—the nine-Power conference convened in London in September 1954 to work out a less 'integrated' substitute—Chancellor Adenauer had a moment of black forebodings, and a well-concealed reporter heard him exclaim to MM. Spaak and Bech: 'My God, what is to become of Germany when I am gone!'[1] In that nocturnal conversation he told the Foreign Ministers of Belgium and

[1] *Der Spiegel*, 6 October 1954.

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Luxembourg of his fears of German nationalism and of a German national army. His hope, though badly shaken, was still to interweave Germany so strongly with the West that any revival of a German see-saw policy between East and West would become impossible. He had seen chaos and catastrophe; he wanted stability, and he saw himself as the chief instrument to bring it about.

Adenauer was confronted with those who said that there could never be stability without German reunification. He judged the instability that would be created by a Germany reunited on Russian terms to be far more dangerous. But it was politically impossible to say: 'Dismembered we stand, united we fall.' He worked for the possible: grafting the greater part of Germany on to the organism of the Western world, while continuing to express the hope of an eventual reunification with the Eastern part.

Problem of reunification

To what extent his critics—at home and abroad—ever really believed in the possibility of early unification on acceptable terms, it is almost impossible to say; and it is exceedingly difficult to be sure about what exact terms the German Opposition considered acceptable at any stage. It refrained—probably deliberately and certainly wisely—from taking a strong stand against the rejection of the Stalin Note of 10 March 1952; later it launched the legend of a missed opportunity to reunify the country. Of course, this *démarche* had been an opportunity—of sorts. The 'united' Germany offered in the Note would even have had an army of her own; but she would have had no allies. At the time even the Opposition was aware of the dangers—of isolation among other things—which the offer contained, dangers which could not be conjured or negotiated away. Different 'solutions' have been in vogue at different times. When the Russians made it clear that they would in no circumstances accept free elections leading to the formation of an all-German Government, the idea of a 'confederation' of the dissimilar parts was proposed, by the East Germans first in July 1957. This would have amputated Western Germany from the West, without improving conditions in East Germany; any change there would probably have led to Russian intervention.

Until 1955 the Russians and the East German Government were tireless in their advocacy of German unity, and in their efforts to make the West Germans addicts of reunification ('*wiedervereinigungssüchtig*'[1]). It is amazing to see how slight the addiction has remained. Reunification is talked about, to be sure, and outsiders and opinion pollsters may come up with observations and percentages that seem to indicate a widespread strong desire within Germany for reunification. Certainly many people *do* desire it; it would be unnatural and inhuman if they did not. But ulti-

[1] An expression used by Otto John at his Karlsruhe trial in November 1956.

mately the issue boils down to the question of what price the German people are prepared to pay for reunification; of what they desire most; and of how irrational they can become if they feel goaded or rebuffed by the West. They can tolerate a postponement of hope, but they cannot bear to be officially, explicitly deprived of it. This reasoning makes sense even to the inhabitants of Ulbricht's republic. They are oppressed, and would be utterly demoralized by the confirmation in power of their oppressors or by anything that would seem to confer legality upon them.

The Western allies are on record as desiring German reunification. In the Paris Agreements of 1954[1] the Germans undertook never to have recourse to force to bring it about (they also renounced the manufacture of atomic weapons). For their part, the United States, Britain, and France declared that they recognized none but the Government of the Federal Republic as the legitimate German Government, entitled to speak for Germany, and reaffirmed that the peaceful achievement of a fully free and unified Germany remained a fundamental aim of Western policy, together with a peace settlement for the whole of Germany, freely negotiated between Germany and her former enemies. They added that the final determination of the boundaries of Germany must await such a settlement. They also repeated an earlier assurance that they would maintain armed forces in Berlin as long as their responsibilities required, and that they would treat any attack against Berlin as an attack against themselves.

The 'spectre of Rapallo'

These Agreements form the crux of East–West negotiations. Even if many other Western politicians and publicists appear to have forgotten them or choose to treat them as non-existent, the Germans remember the agreements and become very worried when they are made to wonder whether their reliance on them was or is misplaced. And then the West is apt to see the 'Spectre of Rapallo'.

It seems to have been a combination of uncertainties about American intentions and persistent taunts in the British press that provoked a German nationalist of British nationality, Sebastian Haffner, into a warning almost two years ago of another 'Rapallo'.[2] Recently the same writer told a German mass audience[3] that Russian peace proposals were preferable to 'the American plan' for Berlin (a plan that had been 'leaked' in Germany the previous autumn)[4] because the latter recognized and sanctioned the division of Germany and the former at least provided for the removal of all foreign troops. He seemed to think that such a move would lead to an improvement of conditions in East Germany. Leading representatives of

[1] Cmd. 9304. [2] In *Encounter*, October 1961.
[3] In an article in *Der Stern*, 24 March 1963.
[4] In an article by Julius Epstein in *Rheinischer Merkur*. See *The Times*, 14 September 1962.

the three German parties instantly replied.[1] Thomas Dehler of the Free Democrats maintained his customary ambiguity; but J. B. Gradl, for the Christian Democrats, and Fritz Erler, for the Social Democrats, clearly and forcefully rejected Haffner's arguments. Both refused to regard Haffner's 'American plan' as anything but a false rumour, and stressed America's steadfast loyalty to her treaty obligations and the vital need for trust and solidarity in the Western alliance. They stated categorically that Germany would be helpless without the United States. Both argued that a comprehensive security system might eventually make reunification possible, and Erler was of the opinion that the Russians might well have more important interests than the maintenance of the Ulbricht regime. Meanwhile, that regime must not be strengthened by recognition, nor the West weakened by disunity. The implication was that if existing treaty undertakings were changed, this would be done only by agreement between all the contracting parties.

The Russians, however, hope for a change agreed simply between themselves and the United States. Naturally, they applied pressure at the most exposed point, Berlin. Mr Khrushchev did not carry out the timetable laid down in his ultimatum of 27 November 1958, but the wall erected on 13 August 1961 effectively cut Berlin in half and deepened the division of Germany. The Russians persist in their declared aim to make the Western half of Berlin into a 'Free City' in a sovereign German Democratic Republic.[2] And the pressure that can be applied over Berlin provides the leverage from which the Russians may well hope to obtain recognition of the G.D.R., to loosen the bonds of the Paris Agreements, and eventually to prise the Federal Republic out of the Western alliance.

There are those in the Western alliance who argue that the aims and goals of the Agreements remain valid, but that they cannot be achieved by a refusal to recognize the reality of the existence of the other German State. Mr Harold Wilson, leader of the British Opposition and perhaps Britain's next Prime Minister, has alarmed the Germans by using the term 'recognition' ambiguously. (Semantically the term is tricky, and the ground between so-called *de facto* and *de iure* recognition is psychologically and politically treacherous.) Such arguments and ambiguities impose real strains on the Germans. These strains arise not so much from the continued division of Germany as from the division of counsels in the West and from constant reminders that psychologically the ratification of the Paris Agreements, that is, of the new form of the Atlantic alliance, has never quite been achieved.

What cannot be helped must be endured. What may, however, prove unbearable is the often repeated suggestion that it is not really necessary

[1] In *Der Stern*, 7 April 1963.

[2] See 'The Berlin Crisis', in *The World Today*, August 1961, and 'The Barrier Across Berlin and its Consequences' by Otto Frei, in *The World Today*, November 1961.

to endure, because there are possible 'solutions'. Germany's trust in her allies is shaken not only by callous or jubilant acceptance of the division of the country but even more so by proposals for reunification on terms that disregard existing treaties, that would not help the inhabitants of the G.D.R., that would harm those of the Federal Republic, and, even more important, that would not produce a *détente* but instead would bring about predictable new tensions and imbalances in the world. This kind of solicitude for their unity frightens the more realistic Germans.

In Britain such proposals abound in the press and among Opposition politicians. The present British Government does not lend countenance to them, however. In the United States the situation is more complicated and more difficult for the Germans to understand; they cannot assess the significance of certain utterances on the part of people like Mr Walter Lippmann, or Senator Mansfield, or Senator Fulbright. German nervousness has been very pronounced since the 1960 presidential elections and was voiced so insistently and maladroitly that it was in danger of alienating the sympathies of the Kennedy Administration. Moreover, this nervousness has been compounded by uncertainties attending strategic thinking and planning. Even without leaks, revelations, doubts, and insinuations, there are grounds for anxiety. The *rapport* between Washington and Bonn has not been all that it might be. Partly this estrangement was a matter of political style and personal incompatibilities; partly it was a matter of approach. The Germans were rattled by the 'scientific' or 'games' approach of members and advisers of the Administration; in a situation that calls for *esprit de cœur*, they sometimes found too much *esprit de géométrie*.

Franco-German rapprochement

This is where President de Gaulle came in. Last summer's exchange of visits between the German Chancellor and the French President was more than a triumph of showmanship. It released emotions that had previously had no outlet and had evoked no response from the 'Anglo-Saxons', who clearly considered Germany an irksome ally. That Charles de Gaulle, not a collaborator but the leader of the French Resistance to Hitler, found words to redeem the past worked a minor miracle. And some sort of redemption was needed.

'*Die unbewältigte Vergangenheit*', the past with which the Germans cannot come to terms, is not only the cause of bitter conflict at home, but also one of the chief ailments of German foreign relations. This is not simply because the outside world keeps harping on German misdeeds and projecting the Third Reich on to the Federal Republic (oddly enough, not on to the G.D.R.), but also because the Germans sense that all is not well and yet dimly divine that a penitential foreign policy is hardly the way to make atonement.

German enthusiasm for de Gaulle was quite heartwarming, if somewhat escapist, at first. The fact that the Franco-German Treaty came so shortly after de Gaulle's press conference of 14 January 1963 was an unhappy coincidence. It brought American wrath down on the heads of the Germans in a measure which they have been anxious to diminish; but they are also anxious lest they go too far in that anxiety. They cancelled the contracts for supplying steel pipes to the Eastern bloc with mixed feelings and dubious propriety, as a sacrifice on the altar of American friendship. They showed some enthusiasm for the NATO multilateral nuclear force and made dutiful noises about the Kennedy round of tariff talks. They proposed a preamble for the instrument of ratification of the Franco-German Treaty which certainly signified more than lip-service to the overriding importance of earlier and more comprehensive treaties. On the other hand, however, they do not wish to detract from the achievement of an *entente* with France that has been so hard to bring about. It would not have come in such a disturbing way, if the Atlantic alliance were more of a living reality or if Britain had discovered Europe before de Gaulle discovered Germany.

It was not only a demonstration of *esprit de cœur* that won Germany over to a bilateral pact with the French. It was also the rigid opposition shown by President de Gaulle to any softening *vis-à-vis* the Russians, in fact to any negotiations with Russia, since, in his view, such negotiations could only lead to concessions at Germany's expense.

The prominence given by the German press to Mr Dean Acheson's recent warning[1] against 'our flirtation with Moscow' was significant. On the whole the serious German press is remarkably restrained; it hardly dares to discuss misgivings openly for fear of exciting domestic passions and foreign displeasure. But, despite all the pedagogic dampers, a note of dismay and insecurity has lately been unmistakable. Doubtless, the desire to counteract this was one of the better reasons for President Kennedy's visit to the country. This visit has created a climate of mutual confidence that may even allow a genuine East–West *détente* to develop without constant revivals of German (and, by chain reaction, American) suspicions. Those who take the trouble to read President Kennedy's utterances between his speeches at American University in Washington[2] and the Free University in Berlin (even the 'emotional' one at the Town Hall in that city)[3] in context will find them perfectly consistent. They all fit into a coherent—albeit complex—picture of firmness coupled with conciliatoriness and the desire to 'make the world safe for diversity'. The overall impression left in Germany by this uncannily sure-footed visitor

[1] In a speech at Berkeley on 13 March. (*New York Times*, 14 March 1963.)
[2] On 10 June (*New York Times*, 11 June 1963). For text of his press conference in Bonn see *New York Times*, 25 June 1963; for his speech at the Paulskirche in Frankfurt on 25 June, see *New York Times*, 26 June 1963.
[3] Both reported in *New York Times*, 27 June 1963.

was in marked contrast to the mixture of Hamlet and calculating machine, which had previously been the general impression. His open-mindedness, frankness, and tact, the display of a 'heart' and of an ability to put complicated matters intelligibly and brutal facts simply not only carried away the cheering multitudes, but also inspired confidence in the makers of policy and formers of opinion as well.[1] There even seems to have been a rather belated establishment of personal *rapport* between the young President and the old Chancellor.

Some German support for President de Gaulle does derive from sympathy with his mistrust of American wisdom—or of 'the Anglo-Saxons'—a mistrust which it seems impolitic for Germans to voice themselves. But mainly it comes from an assessment of the man himself and of his policy as not entirely unreasonable in the general framework of Western policy and strategy. Even Germans who saw little point in a British deterrent, and do not see much in a French one, can see it as an earnest of self-determination. They would prefer a genuine voice for Europe in the Atlantic counsels. For the most part, however, they refuse to see the conflict between the American and French Presidents as one in which they must take sides. The minatory tone of some recent American pronouncements has been regarded as an attempt to make Germany fall into line; but this is hardly likely to inspire confidence or affection. The general German feeling is that it would be wrong to anger the French in order to appease the Americans, who should settle matters directly with de Gaulle without involving the Germans. But there are also those who see de Gaulle's policy as incompatible with NATO doctrine and therefore regard offending France as the lesser evil.

On the whole this is the view held mainly by the Left. But it is not only the Social Democrats who worry about de Gaulle's view of Europe. The Christian Democrats themselves are split between the advocates of 'Little' and 'Greater' Europe. Erhard and Schroeder insist that Germany needs the best of both worlds, the Old and the New, and Schroeder has been emphatic about the danger of letting the *entente* with France harm relations with Britain and America.

But the strain of existence between the warring factions inside the Western alliance is considerable. It is not reduced by the prospect of a Labour Party victory at the next British elections, and the possibility of a change in Britain's policy towards the E.E.C. and the German question.

There is hardly ever a discussion, particularly in Britain, of the German problem which does not produce the suggestion that the Oder–Neisse line should be recognized. There might be no harm in such suggestions if they were not usually coupled with proposals also to recognize

[1] See 'Herzenstöne' in *Frankfurter Allgemeine Zeitung*, 27 June 1963; 'Im Rückblick', *Frankfurter Allgemeine Zeitung*, 28 June 1963; and *Neue Zürcher Zeitung*, 29 June 1963.

Ulbricht and to wash Western hands of Berlin; in other words, to get rid in one fell swoop of all the obligations of the Paris Agreements. The Federal Republic does not regard recognition of the Oder–Neisse line, which is not her own frontier, as a topical problem, but as one which can only be discussed in practical terms within the framework of a German-Polish settlement. The trade agreement with Poland signed on 7 March 1963 was generally hailed as the propitious beginning of a more enlightened policy towards that country in particular and perhaps towards members of the Soviet bloc in general.

Bi-partisan foreign policy

The chances are good for a bi-partisan German foreign policy. Since 1960 the Social Democrats have so thoroughly reformed their policies[1] that they now have to try to bring their British colleagues into the alliance line, whereas the position used to be the other way round. (But then, again, what *is* the alliance line? Mr Wilson was reported to have established a very close understanding with Washington during his recent visit and to have alarmed the Germans.) The Free Democrats exacted the removal of Foreign Minister von Brentano as the price of entering the coalition in 1961, and promptly found themselves outmanœuvred by his successor Schroeder, who appears to have a good understanding with the SPD. There is now a tacit alliance on foreign policy between the CDU and the SPD and this has helped to keep the FDP relatively subdued. There are those in the SPD who would favour a coalition with the FDP and others who would rather make one with the Christian Democrats. The SPD has been making considerable gains in recent Land elections and may well emerge from the federal elections of 1965 in a position to form a Government.

Despite its recent losses, the CDU/CSU is still as strong as, or even slightly stronger than, the SPD and is likely to remain so, unless it breaks apart. But its heterogeneity made agreement on a successor to Adenauer vital. Rivalry between Protestants and Catholics, which sometimes takes quite ludicrous forms, is only part of the trouble, but an important part. There is also a Left and a Right in the party; and there are regional differences. So the party managers chose Ludwig Erhard, a liberal Franconian Protestant and the man regarded as the Father of West German prosperity. Adenauer continued to insist that, although Erhard was a splendid Minister of Economic Affairs, he would not be suitable as Chancellor because he was not enough of a politician. But the polls showed Erhard to be by far the most popular CDU candidate, and that decided the matter. Perhaps the 'Chancellor-makers' thought that, with Schroeder looking after foreign affairs and von Hassel after defence, popularity was really

[1] See 'West Germany: A Pre-election Survey' by Uwe Kitzinger, in *The World Today*, March 1961.

the most important criterion in the choice of the man to lead the party into the next federal elections. This is a curious development in the direction of plebiscitary or opinion-poll democracy.

In any case the style of politics in the Federal Republic is now bound to change. It is unlikely that any future Chancellor will be as strong as the man who has held that office for the first fourteen years of the Republic. But the next incumbent will still be fortified by the constitutional provision of the 'constructive vote of no confidence' which makes it impossible to remove a Chancellor, once elected, unless a majority of the Bundestag agrees on a successor.

There is also bound to be a change in style because of the turnover in generations, and this is beginning to make itself felt. The Nazis and the war have created a gulf between the generations. The young are fairly vocal in their criticism of their elders. It is relatively easy, sometimes too easy, for them to be critical. They were not implicated in Nazi policies, and it takes a lot of imagination to understand the general situation and the individual predicaments of those almost incredible times.

This does not mean that one would wish the young to exonerate or to identify themselves with the remnants of the evil days that still abound. The Federal Republic still has its scandals. There are still—despite the encouragement given them to retire gracefully—men active in the legal system who served under Hitler; there are still doctors in practice who helped to kill the 'incurable'—all sorts of people who served a murderous regime. But then, the whole country is full of people who did that in varying degrees—in fact, most of those over forty.

A member of the younger generation recently created quite a stir by stating the obvious at a conference on 'Resistance and Treason'.[1] He pointed out that cowardice, or the desire to avoid attracting attention in hard and cruel times, was a more common thing than heroism and that one had *no right to expect* resistance. He found that the pretence that one could expect it had exercised a baneful influence on the political climate of post-war Germany; everyone pretended to have resisted in some way and most people therefore felt open to a kind of moral blackmail. He may have overstated the case somewhat, but the echo showed that his plea for honesty was overdue. It would seem to apply outside Germany too; it is all too easy to assume oneself capable of social and political courage if one is not put to the test.

Careful distinctions must certainly be made among those who served under Hitler; but even when that is done, the fact remains that only the passage of time can remove all the guilty. There has not been the catharsis one might have hoped for. There is much smugness, brashness, and dishonesty. But that so much time has passed without the dangerous con-

[1] This speech by Klaus Harpprecht was reproduced in *Der Monat*, January 1963, under the title 'Plädoyer für die Feigheit'.

vulsions which might have been expected, that German nationalism has lost so much of its virulence—for all this one must thank not only the age of affluence, but also the old Rhenish autocrat.

Disappointed Germans, and others, must now resist the temptation to throw out the Bonn baby with the bathwater. Admittedly the bathwater is unsavoury. The recent brazen indulgence in shortlived half-truths (to put it mildly) by members and representatives of the Government was not a pretty spectacle. Nor is coalition-mongering. Older Germans complain that it reminds them of the Weimar period. To the young it is an incitement to cynicism. On the other hand, while Bonn may be stuffy, slick, ostentatious, and unregenerate, there is a marked absence of physical violence and political murder.

The West often seems bent on rousing the sleeping dogs of German nationalism; it is as though some people feel an inner need for the *furor teutonicus* in the world. There has been an amazing amount of German nationalism by foreign proxy, and an astonishing disinclination to accept —let alone to be grateful for—the man who was denounced by the late Fritz Schumacher, his one Socialist opponent of comparable stature, as 'Chancellor of the Allies', and called by Winston Churchill 'the greatest German statesman since Bismarck'. His departure will remove an obstacle to greater flexibility, but the reasons that made him inflexible will continue to apply.

The need for statesmanship in British Guiana

ANTHONY VERRIER

AT the time of writing (16 July), British Guiana's political crisis shows some signs of a belated acceptance by the Premier and People's Progressive Party leader, Dr Cheddi Jagan, of the perils of attempting to apply power without responsibility. (Acton's dictum comes immediately to mind in this bewildered, semi-independent territory.) But only the incurably optimistic would suppose that anything more was gained by Mr Duncan Sandys's visit to Georgetown the week before than a breathing-space and the chance to get 35,000 tons of sugar shipped to help pay an

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estimated £40 million of strike losses. Mr Sandys's achievement in persuading Dr Jagan and Mr Forbes Burnham (leader of the main Opposition party, the People's National Congress) to talk about a coalition Government will become a success only if the two men can be big enough to put British Guiana's needs first and their personal and party interests second.

Even a background article based on conversations with Georgetown's principal political, administrative, business, and security figures can only give the most cautious and tentative assessment of the possible short-term future, the aftermath of the ten-week strike, and its probable causes. Although Guianese and expatriates are articulate and co-operative so far as the visiting journalist is concerned, few hard facts emerge. The prevailing moods reflect recrimination and disillusionment among the educated of all races; the poor are too busy picking up the threads of an always meagre existence to do more than comment briefly on their leaders' tarnished images. But acid and often shrewd comments by the man in the street are possibly a healthy sign that the reputations of Dr Jagan and Mr Burnham are due for deflation. If comment outside British Guiana, especially in the United States, would show a complementary understanding of the inherently complex problems of a country which is only potentially prosperous and where communism is a slogan not a danger, the proposed coalition might survive at least until the autumn. Mr Sandys has proposed an all-party constitutional conference in London then to discuss a new Constitution, as a prelude to elections and independence.

Before further assessment of the situation is attempted, whether of local and present conditions, British policy, or British Guiana's place in Anglo-American relations, Dr Jagan's central role in the whole affair must be further explained. He is still the joker in the pack and will remain so, unless murdered or ousted by the PNC in the bid for the physical occupation of Georgetown. Neither of these is at all likely. Jagan as a martyr might queer Burnham's pitch for good; the latter's party, overwhelmingly African, dominates the armed and disciplined police, but to occupy Georgetown would mean taking on the two British internal security battalions now deployed there and in reserve to the south.

Equally unfounded, so far as one can discover, are reports that Jagan is planning to raise a revolutionary, Castro-type army of Indians. He has been accused of importing arms and ammunition from Cuba with the petrol and flour sent during the strike, but the security authorities are sceptical about this. There is also virtual unanimity among Georgetown's authorities that British Guiana's mood is sullen not ferocious, and that there is no spark at present to kindle a national conflagration. People would like the U.S. Central Intelligence Agency to stop looking for communist agents under Guianese beds and listen instead to the words of Mr Everett K. Melby, the U.S. Consul-General, who argues that because

Cuba is communist it does not automatically follow that British Guiana must become so too.

But Jagan is certainly in an overwrought state, where his every utterance can be interpreted in several ways. His fixed and nerveless grin betrays a man seemingly at the end of his intellectual and emotional resources and probably of his demagogic powers. He reminds one in some ways of Mr Krishna Menon—the same verbal dexterity, joined with a near-total unawareness of the real facts of the situation, whether good or bad, personally advantageous or not. Although it is rare that personal factors obtrude in detached analyses of politics, they are, alas, terribly relevant in British Guiana. It must therefore be added that Dr Jagan's estrangement from his wife has latterly contributed to his inability to govern efficiently or responsibly. Mrs Jagan, incidentally, seems a much abused woman. The present writer met few, whatever their personal views, who did not admire her ability in office and compare it favourably with the Prime Minister's.

It is in this light—of a man whose nerve has gone but who is still buoyed up by the support of the dominant Indian population, or at least his assumption that this is so—that the genesis and course of the strike must be seen. It now seems likely that, when Dr Jagan introduced the Labour Relations Bill in February—which provided for compulsory registration of trade unions and, in effect, the Government's *Diktat* on their continued existence—he was genuinely unaware that it would arouse intense opposition. Equally, he could not apparently bring himself to believe that the strike would be sustained with the consistency and loyalty which individual union members showed. Admittedly, he was in good company there, not least among executives of Booker Bros. Although they did not take sides in the dispute, despite being dubbed 'Jagan's concubines', they were obviously anxious for its resolution, and worked hard and patiently to that end.

On the face of it, so repressive a Bill was bound to produce unrest, and therefore one might assume that either Dr Jagan was totally misguided in introducing it or, alternatively, was trying to smash the African unions in the Trade Union Congress and wreck Mr Burnham's fortunes. The truth, however, must be less simple. Dr Jagan has flirted with many ideas for conducting Guianese affairs on the lines of Dr Nkrumah's 'guided democracy'. But most of them have been dropped at his wife's behest. Dr Jagan is certainly no democrat, in so far as that word denotes the acceptance of the independent existence of representative but not politically responsible organizations. Equally, judging by his behaviour over the last ten years, he is not of the stuff of dictators.

Dr Jagan is obsessed with the idea of a Hegelian State, to give his somewhat chaotic dialectic a complimentary label. It is relevant that at intervals since last February he has exchanged letters with Mr Burnham

on the question of how the TUC could be more closely associated with government. Burnham has shown virtually no interest in this idea; like political and trade union leaders everywhere, he wants to oppose if he cannot rule. His willingness to discuss a coalition reflects credit on Mr Sandys for impressing on him the really desperate straits facing British Guiana unless party considerations are at least temporarily abandoned. It does not mean that Mr Burnham has lost hope of being the first Prime Minister of an independent British Guiana.

Thus the strike is simply not explicable as an African-versus-Indian or PNC-versus-PPP struggle. Dr Jagan certainly hoped to pass his Bill, and when that failed, the strike ensued and violence occurred; he prorogued Parliament, and generally behaved as if his personal and political future depended on the Bill, the whole Bill, and nothing but the Bill. Mr Burnham was as certainly hoping for Jagan's downfall and exhorted his fellow Africans to further it. But neither of these attitudes alters the fact that a compromise has been reached. Moreover, although there has been 'a lousy ten weeks', as the chairman of Bookers, British Guiana, put it, racial conflict at no time assumed frightening proportions. It may have appeared so in London; it did not, by all accounts, in the territory.

It is the future that is dangerous and uncertain, even if British Guiana's elected representatives do begin to behave responsibly. But assuming, for the moment, that the present conciliatory mood may last until the constitutional conference, what factors, other than courage and statesmanship, are important to increase stability? If these fail to be applied, what dangers are in store for a territory and a heterogeneous society which has hitherto been ignored by all except sugar-plantation owners and adventurers?

On the side of cautious optimism there is one factor, which can be appreciated only if a fairly cynical view of politics is taken—not necessarily the same as a superficial or selfish one, the two main attitudes which have hitherto prevailed in British Guiana. Mr Sandys, who conveyed a rather impressive air of bluntness and detachment, made it privately clear that he hoped one thread binding Dr Jagan and Mr Burnham together would be joint opposition to Mr Peter D'Aguiar and his United Force Party. Neither leader nor party is known outside British Guiana. Mr D'Aguiar is a business man of widespread interests and Portuguese descent, who founded the United Force in 1960, as an anti-Jagan, anti-Burnham, anti-Left movement. The UF has now become a recognized, if hitherto uninfluential, third party, which in the 1961 election won four seats, against the PPP's twenty, and the PNC's eleven.

Poujadist overtones to a reiterated theme of honest administration and 'a place in the sun for everyone' have not markedly increased Mr D'Aguiar's following, although they seem to have led him to believe that he is the third force which British Guiana needs. Mr Sandys, however,

has other ideas. At one time during his visit, a suggestion was carefully manufactured that Mr D'Aguiar would actually be included in a revised Cabinet; but when he then demanded the Ministry of Finance, Dr Jagan and Mr Burnham at once combined to oppose him. This move incidentally did not deter Mr Burnham from suggesting, as late as 12 July, that his party's share in a coalition Government should be half the Cabinet posts and, for himself, the crucial Home Ministry. This is at present held by Mrs Jagan since Mr Claude Christian's death six weeks ago; for this reason alone Dr Jagan was bound to refute Mr Burnham's suggestion. But this Ministry also is responsible for internal security, and thus in effect controls the police. Indirectly, through the internal security committee, the Minister also controls the operations of the British forces, although their ultimate role remains, of course, at the discretion of the Governor, Sir Ralph Grey, and the British Government. Bearing these factors in mind, it is surely indicative of Mr Burnham's willingness to compromise now—whatever his long suit may be—that despite being refused this Ministry he is still prepared to enter a coalition. The reconstructed Cabinet is likely to number eleven (it was formerly ten), with the PPP and the PNC represented 6:5.

Mr D'Aguiar, however, is being excluded from the coalition, although as late as 2.30 p.m. on 13 July, when he saw Mr Sandys before the latter's vital meeting with what Georgetown papers sarcastically call 'the big two', he may have entertained hopes of some post, if not the one he wanted. He and his supporters still talk and write as if a revived Guianese political scene was incomplete without their presence in the Government. The truth of the matter, however, is that Mr D'Aguiar has been manœuvred by Mr Sandys into a position where those erstwhile socialist colleagues, Dr Jagan and Mr Burnham, can not only oppose UF demands for ministries but can—or may—jointly proclaim that the workers' interests must be defended against the narrow approach of a business man's party.

To those who would regard Mr Sandys's tactics as too clever by half, one must reiterate that virtually anything which could go some way to producing talks, if no true *rapprochement*, between Jagan and Burnham had to be tried. A simple appeal by the Commonwealth Relations Secretary that now was the time for all good men to come to the aid of the country, although undeniably true, would have aroused derision and increased the already dangerous atmosphere of *après moi le déluge*.

Mr Sandys, of course, did not confine his approach to playing off both ends against the middle. He not only made it crystal clear that the Constitution would not be suspended, but, from his experience of Africa since becoming Commonwealth Relations Secretary, he warned his audience that the racial troubles which British Guiana has now suffered for the first time could errupt again with terrifying suddenness and savagery. It is,

in fact, doubtful whether Dr Jagan and Mr Burnham really believe that British Guiana would ever see a race war because, despite the strike, the territory has a tradition of racial tolerance which has not yet been destroyed. Indeed, a race war in any Caribbean or Central American territory is difficult to contemplate. Although the Guianese Indian community is cohesive (and growing fast) and the Africans convey a sense of pent-up force, which if released could be dangerous, there is not a classically opposed colour situation, either economic or political. If Indians lived in Georgetown instead of in the remote rural areas (most of which were unaffected by the strike), if there were disaffection among the police, or if an Indian 'army' were established clandestinely or openly, the prospects would be grim.

This is not to say that further bloodshed will not occur. The real point of Mr Sandys's warning was that Jagan and Burnham could only ensure their survival as political figures if they displayed statesmanship. If either of them resorts to demagogic tactics, bloodshed could recur, spread, and intensify. Behind Mr Sandys's arguments, finally, were two other factors which have been somewhat obscured during the crisis.

They are the British Government's wish to be rid of British Guiana, despite the further strains which this will put on relations with the United States, and the fact that Bookers, who still virtually own the territory and are certainly the biggest single influence on its economic life, will continue to co-operate with the Government in developing sugar production and subsidiary industries only to the extent that whoever leads that Government shows himself capable of enlightened policies.

As has already been said, Mr Sandys was not prepared to consider suspending the Constitution or dissolving Parliament via the Governor's reserved powers, despite rumours during President Kennedy's recent visit to Britain that this had been urged. Nor was he prepared to do it in order to let both Jagan and Burnham shoot arrows at the British Government instead of each other. Mr Sandys's plans for a Jagan–Burnham front do not extend that far. He made it clear that Britain could not afford, politically or militarily, an indefinite commitment to the territory's security. The fact that there really is very little anti-British feeling on the normal colonial pattern adds a certain piquancy to this situation. Many educated Guianese, while disliking the presence of British troops, realize that they are necessary at present. Mr Sandys, while admitting this necessity as much as the Guianese (or the U.S. Administration), is not prepared for an indefinite British military commitment, which would certainly be the case if the Constitution were suspended or if racial troubles intensified. His job, as representing a Government which is far more concerned about Britain's strategic and commercial commitments in the Middle and Far East (together with the rump of such a commitment in Central Africa), was to make it clear to Jagan and Burnham that

the presence of British troops now was not a licence to commit mayhem and expect them (two weak battalions) to stop it at a point where no irreparable damage had been done except to Britain's reputation.

Given the uncertain state of Anglo-American relations and the known fear in Washington that British Guiana may 'go communist', it might have been thought that Mr Macmillan and his Commonwealth Relations Secretary would have been prepared to underwrite the territory's security indefinitely in return for American concessions in such matters as nuclear arms. But there is no evidence for this in Georgetown.

It is true that a new joint services headquarters for British forces has been established in Jamaica. This functions efficiently and it ensured a smooth airlift of British troops from the United Kingdom to Georgetown. It also provides an intelligence service which co-operates with the U.S. authorities over surveillance and assessment of the internal and external policies of Cuba, Haiti, the Dominican Republic, and Venezuela. But this headquarters, together with modest naval strength and expert intelligence services, does not put the same strain on the British army, when it is weak and when commitments elsewhere are given priority, as would be done by maintaining troops in British Guiana. Britain's refusal to impose an embargo on Cuba is in line with this policy. At top levels it is also fortified by the belief that the U.S. Administration will come to take a cooler view of communist intentions and successes in the Caribbean, in much the same way as it has recently done for Africa.

Israel and Africa

NETANEL LORCH

THE rapid growth of mutual interest and co-operation between Israel and the new States of Africa has come as a surprise to many observers. Upon nearer examination, however, the process would seem to be a natural outcome of needs and inclinations on both sides. Israel, surrounded as she is by hostile neighbours, has had to look farther afield for friends and particularly among the nations of Asia and Africa, which might seem to have an *a priori* affinity to the Arab States and so be led to identify themselves with their attitudes towards Israel at the United Nations and elsewhere. The Government of Israel has consistently maintained that friendly rela-

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tions with Israel on the one hand and with the Arab States on the other are not mutually exclusive, and it has been anxious to prevent newly independent States from adopting the contrary doctrine, as preached by Arab leaders. The impressive volume of technical aid flowing out of Israel has no strings attached. It is, however, easily understandable that Israel is gratified that a growing number of African statesmen are requiting friendship with friendship, even on issues and in forums where support of Israel may mean a head-on collision with Arab representatives.

Israel's economic interest in her nexus with Africa is often cited. It is true that, at her present level of economic development with the current drive towards industrialization, Israel needs outlets for her manufactures. Newly independent Africa can at best provide a market for only a tiny fraction of them, however; unlike the European Economic Community, with which trade is vital for Israel, the African market is unlikely to become a decisive factor in her trade balance. Conversely, although several important Israel factories use African-produced raw materials, this supply had been regulated before independence and does not constitute the basic incentive for Israel's concerted effort to strengthen her links with the new African States.

A deeper, more emotional, but just as real, motivation for that effort can be found in a prophetic passage from the novel *Altneuland*, written at the end of the last century by Theodor Herzl, founder of the Zionist movement. The novel's hero is made to say:

> There is one more problem of racial suffering which has remained without solution. Only a Jew can fully understand that problem in all its horror: I refer to the Negro problem. Do not laugh. Consider all the cruelty of the slave trade. Human beings being kidnapped and sold because of the colour of their skin. Their descendants growing up in a foreign environment. Hated and despised because of their different skin. I am not ashamed to say, even at the risk of being ridiculed, that now that I have witnessed the renaissance of the Jews, I should like to pave the way for the renaissance of the Negroes.

Israel has had to rely to a great extent on outside aid in various forms. Her heavy defence burden and the influx of immigrants make this inevitable. Her ability now, after fifteen years of independence, to do something in a minor way for other, newer States provides a sense of dignity and a widespread satisfaction, which are the greatest reward for her effort in Africa.

Attractiveness of the Israel model

For their part, African Heads of State, Cabinet Ministers, and civil servants who have recently visited Israel in increasing numbers have come to see in the country a unique combination of traits that qualify it as a potential source of inspiration and help. The very smallness of Israel's territory and population serves as a recommendation. Moreover, she can-

not easily be suspected of colonialist or expansionist ambitions. On the morrow of liberation from the rule of metropolitan Powers, African statesmen have been loath to commit their countries, mostly of small population, to close co-operation with the Great Powers. Dealings with Israel on the other hand are on a footing of equality: Israel aid, in those fields in which she has empirical know-how, is available at call and, as has been shown in a number of cases, can be terminated at will. Thus co-operation can never become domination.

The young nation of Israel has shown understanding for the sensibilities, jealousies, and, at times, idiosyncrasies of new nations which are not unlike those she has exhibited herself. Economically, she is a developing, not yet a developed, country; in some spheres far enough ahead of the African nations to provide useful lessons, but not so far as to have attained a stage beyond their reach, like the industrialized countries in both the Eastern and the Western bloc. As one African trainee, familiar with both Israel and a large industrial territory, has put it: 'There I have had an opportunity to study the history of development, in Israel I am studying development itself.'

By and large, therefore, African visitors to Israel have gone away with a feeling of self-confidence in their ability to tackle their own problems within a reasonable time, whereas visits to more advanced countries may sometimes have produced intense depression, perhaps bordering on despair, at the vast gap that divides those countries from their own. It has been said that this self-confidence is Israel's principal export to Africa. On the whole, Israelis have lived up to the challenge which the mounting flow of visitors and trainees from Africa presents and have been able to make them feel at home. If there have been instances of gracelessness, they stemmed from strangeness rather than animosity, and as the number of Africans in the country increases fewer incidents are reported.

Socio-economic institutions

Israel has developed a variety of socio-economic institutions, identifiable neither with orthodox capitalist nor with communist doctrine. In agricultural settlement there is a series of models, ranging from the *kibbutz*, the collective village, with joint ownership of the means of production and complete parity of consumption yet on a voluntary basis and uncontrolled by the State, to the *moshava*, the village of strictly individual family farms. In between are various types of co-operative settlement, notably the *moshav ovdim*, the smallholders' co-operative, and the *moshav shitufi*, differing from the *moshav ovdim* primarily in that land and means of production are held in common whilst each family runs its own household and auxiliary garden. In trade unionism, the Histadrut, Israel's Federation of Labour, has attracted the interest of African leaders, both within and outside the labour movement, because, over and

above the functions of a federation of trade unions, it fulfils vital tasks in the national economy as promoter and owner of basic enterprises in agriculture, industry, mining, export, import, and marketing, thus shouldering an appreciable share of the responsibility for development while continuing to play its traditional role of safeguarding workers' welfare. Israel's army, designed for peculiar defence problems quite unlike those of most African countries, has nevertheless aroused attention on account of the important civilian, and civic, duties entrusted to it, notably within the compass of *Gadna*, the Youth Battalions, which afford pre-military training with an emphasis on basic citizenship and physical training, and *Nahal*, Pioneering Youth, which, besides doing military service, performs national service in agriculture, mostly in border settlements.

None of these concepts may be immediately exportable to Africa, but their mere existence has inspired African leaders to seek original solutions to their own problems, possibly by adopting Israel ideas. Israel's representatives have consistently refrained from counselling a specific philosophy, but the very diversity and wealth of her experience refute the frequently proclaimed thesis that the choice for the new nations lies solely between free enterprise (often identified with neo-colonialism) and communism. Last but not least, Israel's stress upon the need for a pioneering spirit in the development of a new nation and her relatively ample supplies of manpower have made her a welcome source of expertise and instruction. The intake of trainees in one direction and the outflow of experts in the other have, generally, been accomplished with a minimum of red tape and with flexibility and speed.

Arab strategies in Africa

The path has not been entirely smooth, however. Arab Governments, propelled by Egypt, regard the swiftly expanding Israel-African connections as a threat to the success of their policy of boycott, blockade, and encirclement of Israel. This policy is based to a great extent on the assumption of acquiescence, if not active participation, on the part of African and Asian States, and over the past few years certain Arab Governments have applied their energies more and more to the business of wooing Africa away from friendship with Israel.

The geographical fact that Cairo is an African capital has been exploited. The slogan of African unity has been used, or abused, to imply a 'moral' obligation to back the 'African' Egyptian against a non-African Israel antagonist. Islam has been harnessed to serve the same end. No up-to-date statistics are available concerning African Muslims, but there seems to be no doubt that they number well over 80 million, and the figure is rising. Unlike Christianity, which has periodically been identified with colonialism, particularly in West Africa, Islam has come to be almost universally accepted as an indigenous African creed. Egypt's religious

university, El-Azhar, has augmented its facilities for educating Africans; Egyptian teachers and clergy have been sent to foreign parts; a powerful broadcasting station, the Voice of Islam, has been installed. At one time, it was announced that religious attachés would be assigned in Egypt's embassies, but it appears that this idea has been abandoned.

Moreover, President Nasser has presented himself as the paragon of successful neutralists, able to extract large amounts of foreign aid, military and otherwise, from both sides in the cold war. In the light of the widespread conviction in Africa that the cold war dictates the solicitous interest in its welfare shown by East and West alike, Nasser's performance in this field has enhanced his prestige in certain quarters.

A consistent attempt has also been made to employ the populous Arab 'colonies', primarily of Lebanese, on the west coast of Africa. Their economic standing has been utilized to plant the anti-Israel boycott on African soil.

Some of these strategies have boomeranged sharply however. Nasser's ambitions of domination and the nature of his regime, resting as it does on the armed forces, have made for a reserved attitude towards him in many parts of new Africa. Moreover, his preoccupation with non-African matters has underlined the searching question whether North African Arabs are, in fact, African in anything but geography. The memory of Arab slave-hunting and slave-dealing, still very much alive in parts of Africa, adds substance to the question. The exploitation of religion has also come to be widely suspect and resented; many Africans hold themselves to be Muslims as good as, if not better than, some Arabs. The 'deployment' of Lebanese traders has brought the wrath of their host-nations down upon them: in more than one country they have been told in no uncertain terms that they will be welcome only as long as they respect the local laws and attitudes, of which a boycott of Israel does not form part. Furthermore, the marked trend towards 'africanization' of trade has made the position of some of these traders precarious; unsavoury business practices, the involvement of some of them in outright illegalities, as in Guinea for instance, expose them even more vulnerably to African rancour.

While Egypt has applied an inordinate part of her endeavours to political manœuvring and propaganda, Israel has concentrated on constructive projects to promote African development. It was late in the day that the Egyptian Government awoke to this discrepancy, and embarked on a number of well-advertised exercises in technical and economic co-operation. Their scope, so far, has been limited and their usefulness is yet to be established. In any case, their generally imitative character is such that success, if any, will most probably be ascribed, at least partially, to Israel 'inspiration'. The Soviet Union and her satellites, for reasons best known to themselves, have chosen to range themselves on the side of the

rabs in condemning Israel and in warning Africans against close co-operation with her. Such terms as 'Israel, the Trojan horse of colonial-ism, its stooge, its catspaw, its sheep's skin' recur in Arab and com-unist broadcasts and publications. No doubt the very idea of Israel and er socio-economic pattern—neither capitalist nor communist, thus resenting a barrier to the penetration of communist ideology—are to a ertain degree responsible for the excessive time and space devoted to srael.

Lesser crossing of wires with British and French interests in Africa, ostly local, have also been known to occur, for example in construction, ater supply, and various disciplines in which, previously, such interests ad been paramount.

However, Israel's activities in Africa are determined by her own en-ghtened self-interest, and are neither inspired nor dictated by any third ountry. Her outspoken attitude on *apartheid* has led to a perceptible ooling-off in the cordiality of her relationship with the Republic of outh Africa, and her unequivocal stand on the right of Portugal's olonies to become independent has not been conducive to *rapproche-ent* with that country. Israel's position on these and other residual olonial issues in Africa, and on the unity of the Congo, has been noted y Africa's leaders.

iplomatic exchanges and visits

Israel's diplomatic exchanges with the new African States have almost ept pace with the process of liberation. As against five Israel missions in frica less than three years ago, there now are twenty-one resident issions. In Israel there are now nine African embassies, and for some ountries representation in Jerusalem may be out of a total of five or six mbassies throughout the world. No fewer than ten African Heads of tate have paid official visits to Israel, at the invitation of the President,[1] nd further visits are scheduled for the current year. Dozens of ministerial nd other delegations have come from African countries, including yasaland, Kenya, and Bechuanaland which have yet to attain inde-endence.

No less important have been the visits of Israel leaders to Africa. The ate President Ben-Zvi spent three weeks in Africa in the summer of 1962, isiting Liberia, Congo (Brazzaville), and the Central African Republic; he opportunity of his brief transit through Leopoldville was readily taken y the President and the Government of that Republic and its unofficial haracter did not prevent its becoming an impressive demonstration of

[1] Abbé Youlou of Congo-Brazzaville, Presidents Yameogo of Upper Volta, laga of Dahomey, Mba of Gabon, Tsiranana of the Malagasy Republic, Dacko f the Central African Republic, Houphouet Boigny of the Ivory Coast, Tubman f Liberia, and Ahidjo of Cameroun, and the Mwame Mwamtutsi IV, King of urundi.

friendship. Well over half the members of Israel's Cabinet have been to African countries, on various missions, in the past three years. Early this year, Mrs Meir, the Foreign Minister, went on official visits to Uganda, Tanganyika, and the Malagasy Republic, and to Kenya unofficially.

Agreements with African States

Top-level relationships having thus paved the way, a series of agreements and protocols now forms the backbone of Israel's programme of co-operation with Africa. An agreement with Ghana was signed as early as July 1958; this was followed by agreements with Mali in November 1960 on technical co-operation, cultural exchange, and problems of air communications. Since then, treaties have been concluded with a long list of countries, including Sierra Leone, the Ivory Coast, Nigeria, Upper Volta, Togo, the Malagasy Republic, Dahomey, Gabon, the Central African Republic, Congo (Brazzaville), Uganda, Tanganyika, and Liberia. These formally outlined the general framework and overall conditions and terms of co-operation; specific projects are dealt with in protocols signed as the occasion arises.

Israel has concentrated on constructive projects to promote African development, but her financial means are not limitless. She is herself a developing, capital-importing country, and has therefore found it impossible to grant financial aid or credits except in rare instances and under stringent conditions. A substantial quota of her programmes of technical co-operation, therefore, have to be financed from the resources of the recipient countries. This has not meant any significant worsening of her competitive position *vis-à-vis* other 'donor' nations, but it has been a heavily restrictive factor in the expansion of co-operative projects.

Economic co-operation

Israel's contribution can be roughly divided into two sectors, the economic and the technical. In the former, Israel enterprises—mostly public ones owned wholly by the Histadrut or jointly with other public bodies, but also including an increasingly large number of private firms—have established undertakings in African countries. The principle generally followed is that of a joint company, in which the Israel partner holds a minority of shares, whereas the African partner, usually the Government, holds the majority. This ensures that the African Government shall exercise full control, and provision is made for the African partner to take over the Israel shares in due process of time. A management agreement is customarily entered into, limited in duration; Israel undertakes to train African staff as quickly as feasible to assume managerial and other posts. Most of the economic enterprises projected from Israel into Africa are therefore of a self-liquidating character, and some of the earliest are already well on the way to complete africanization.

Israel shares in the Ghana National Construction Company have been taken over by the Ghana Government; an extremely able Ghanaian, who for some years understudied the Israel general manager, now manages the company, recently merged in the Public Works Department of Ghana, whilst Israelis continue to serve in many technical posts.

Enterprises on similar lines have been set up in Western Nigeria (construction and water supply), Eastern Nigeria, and Sierra Leone, and are in the process of establishment in East Africa and in a number of French-speaking States, including the Ivory Coast, the Central African Republic, and Upper Volta. Numerous public and other works have been launched by such joint companies, sometimes with spectacular effect. Installation of the water-supply system in Nsuka, the University of Eastern Nigeria, in time for its opening as part of the independence celebrations in October 1960, has been acknowledged as an engineering feat that could have been accomplished only by close and devoted collaboration between a minute Israel staff and Nigerian foremen and workers, toiling round the clock. The construction of at least the main hall of Sierra Leone's Parliament building in time for the independence celebrations of 1961 was held to be impossible by veteran local contractors; not unnaturally, its achievement exposed the newly established construction firm to a critical scrutiny, not always divorced from vested interests. In shipping, the Black Star Line, founded jointly by Zim Israel Navigation Company and the Government of Ghana, was not only the first of its kind with Israel and African partners, but also the first shipping line to fly the flag of a new African State. The shares of the Israel partner have since been bought out by Ghana, but Israel continues to co-operate in a variety of important managerial functions. The company has shown a reasonable profit ever since its second year. Private Israel firms are engaged in Liberia and elsewhere in the same way.

Of more recent origin, and to a less extent, Israel is co-operating in the establishment of industries in Africa. As an industrializing country herself, her experts have frequently displayed a shrewd grasp of the problems of other industrializing countries and an adaptability to their peculiar conditions and circumstances. On the other hand, the quick multiplication of factories inside Israel leaves only a narrow margin of first-class managerial and technical personnel whose services can be spared even for a few years. Her industrial effort in Africa must therefore perforce remain extremely circumscribed for the time being.

Technical co-operation

Progress in technical co-operation has been truly spectacular. In 1957–8, a total of 137 trainees came to Israel from Asia and Africa; in 1960, the figure had risen to 670, and in 1962 it reached well over 1,500, of whom more than 1,000 were Africans. The system of courses held in

Israel was originally confined to the fields of agriculture and co-operation, in which Israel's experience has proved specially applicable to developing nations. It has now been enlarged to embrace subjects ranging from practical nursing to poultry breeding, local administration to electro-mechanics, teacher training to agricultural engineering. In previous years, all courses were of short to medium duration, up to one year; during the past two years full academic syllabuses have been instituted. In that context the peculiar difficulty of language has to be overcome. All tuition at the Hebrew University of Jerusalem and at the Institute of Technology in Haifa is given in Hebrew. English courses for African and Asian students have now started in medicine in Jerusalem and in agricultural engineering in Haifa. The medical course, generously supported by the World Health Organization, is in its second year, with a new entry of first-year students. This is Israel's initial offer of a complete academic course, lasting up to seven years, and its results are being observed carefully and hopefully.

But the bulk of trainees still attend short to medium range courses. A centre has been set up in Haifa to provide seminars and lessons for women from developing countries in such subjects as the role of women in public life, home economics, and kindergarten nursing. The principal is a former commander of the Women's Auxiliary Corps of Israel's Defence Forces. Mrs Meir, herself the only woman Foreign Minister in the world, has taken particular interest in the establishment and maintenance of the centre.

Agricultural courses envisaged for the current year include four-month courses, in English and French, in poultry-keeping; courses for instructors and extension workers, again both in English and French; three-month courses, in English, in irrigation techniques; courses in English for instructors in cattle husbandry, and others on fisheries and the use of fertilizers.

Courses have also been organized for youth leaders in conjunction with the Youth Battalions (*Gadna*) of Israel's Defence Forces. Emphasis here is on aspects relevant to the problems of new African nations: youth organization, physical training, educational activities. Above all, Israel's experience in creating—or re-creating—a nation out of groups of seventy different origins, with divergent backgrounds and mother tongues, is stimulating to African countries whose national consciousness has yet to be formed and deepened to surmount ethnical and tribal differences.

Israel's ideal in technical co-operation is, wherever possible, to carry out integrated projects; more specifically, to dove-tail courses in Israel with the requirements of projects for which Israel experts are responsible overseas, so that trained cadres can, immediately upon completing their instruction in Israel, be absorbed into works at home in which their newly acquired skills and knowledge can be put to good use. Thus, together

with the joint construction companies mentioned, courses have been held for foremen in the building and allied trades. Similarly, a large proportion of the graduates of the youth leader courses are already active in youth organizations in their own countries. This sphere of endeavour has, indeed, expanded remarkably of late. Israel specialists—mainly officers seconded from the Defence Forces, or reservists volunteering for service —are by now busy in half a dozen countries assisting in the establishment of national service youth formations.

It may very well be that this is the most worth-while activity Israel is engaged upon at this moment. African resources, to be fully developed, demand dedicated young people instinct with the pioneering impulse, convinced of the value and dignity of labour, thinking in terms of the general good, considering themselves part of a single nation and not just members of this or that tribe. These are the main aims of the Service Civique instituted in the Ivory Coast, of the National Pioneering Youth of the Central African Republic, and parallel formations in Liberia, Cameroun, and Tanganyika. The accent is on preparation for agricultural work, utilizing modern techniques and methods; each formation has Israel agricultural technicians attached to it, who are answerable for the professional side of the training courses conducted locally. Although of relatively recent origin, training centres such as those at Bouake in the Ivory Coast and at Mongo in the Central African Republic have become showplaces of national achievement. The emphasis on speedy africanization is as pronounced in this as it is in the other fields of Israel cooperation.

Well over 600 experts have so far gone abroad from Israel on varied missions in Asia and Africa, some on brief survey missions of weeks or months, most for full terms of from one to two years. (This figure does not include the employees of joint economic enterprises.) An Israel team established the first eye clinic in Liberia; Liberian nurses have at the same time been trained at the Medical School in Jerusalem, where the professor of ophthalmology is also initiator and supervisor of the Liberian project. He is today training a Liberian doctor to take over. A children's wing, named after Israel's late President, has been set up in Ouagadougo's new hospital; work is going on in fighting tuberculosis in Congo (Brazzaville); there is training in surgery in Ghana and in hospital administration in Liberia. In Liberia and Ghana, Israel consultants have served for lengthy periods, advising on the reorganization of health services.

Israel poultry breeders, often with the help of day-old chicks flown in from Israel, have contributed towards the development of poultry keeping in African countries that are frequently protein-starved. Experimental farms for the cultivation of cotton, tobacco, ground-nuts, and vegetables have been laid out. And the list of operations comprises, also,

town planning in Eastern Nigeria, the organization of a national lotter in Sierra Leone, and the handling of statistics in Ghana.

Israel's co-operation with Africa, the partnership of one small countr with many vaster and some much more populous ones, is still of too shor duration for a definitive balance sheet to be drawn up. Advances durin the last few years have been phenomenal, and signs for the future seem t be encouraging. It is warrantable to repeat that Israel's co-operation ha no strings attached. In the circumstances, she cannot help being gratifie by the extent of spontaneous goodwill she has won from newly independent Africa, and the manner in which that goodwill is manifested particularly at the United Nations and at the recent Addis Abab Conference.

With her own resources strained by still largely unsatisfied manpowe needs, an onerous defence burden, and an uninterrupted immigratior from undeveloped countries of persons with little or no assets, Israel doe not always find it easy to divert men and means to other developin nations. But, heartened by what has been accomplished so far, she is resolved to persevere in an expanding determination to share her experience and know-how to the reciprocal profit of the Jewish State and o emergent Africa.

Notes of the month

Test ban treaty: aftermath in NATO

On 19 August the West German Chargé d'Affaires in Moscow, Herr Scholl, signed the nuclear test ban treaty. At the same time a Government statement in Bonn reaffirmed the Federal Republic's claim to be the sole representative of the German people and its refusal to have through the treaty any relations with the East German regime. A representative of that 'regime' had indicated his Government's intention of signing the treaty within hours of ratification. Herr Scholl, however, was the sixty-third signatory of a treaty which is in part designed to prevent aggressive or irredentist States from achieving their objectives through the possession and use of nuclear weapons.

Bonn's behaviour over the treaty has in fact been entirely predictable. In regular succession have come its claims to be the only representative of the 'true Germany'; its insistance on Anglo-American guarantees that their signatures on the treaty imply no change in their 'non-recognition' of East Germany; and opposition not only to a non-aggression agreement but to the exchange and stationing of NATO and Warsaw Pact observers (and presumably neutral or U.N. representatives) at certain points in central Europe, from which aggressive or pre-emptive military operations might commence or where the movement of aircraft or ground forces might reasonably lead to that supposition.

These and other empirical methods of providing the strategic bases for a *détente* (the political requirements are lacking) were discussed at length in Moscow after the treaty's ratification by Mr Gromyko, Mr Rusk, and Lord Home. Despite State Department denials, it is believed that similar exchanges took place when Mr Averell Harriman and Lord Hailsham were negotiating the treaty's details. It is certainly true that President Kennedy and Mr Khrushchev have corresponded on these matters. Although Mr Rusk said on his return from Moscow that an exchange of observers would imply no probability of a mutual reduction of NATO and Warsaw Pact forces, and that it certainly would not be the precursor of a non-aggression agreement, it is nevertheless widely believed that the U.S. and Soviet Governments are now fundamentally at one on the question of how European security can be preserved and their enormous arms budgets reduced. It should be noted that Mr Rusk made no mention of whether mutual reduction of U.S. and Soviet forces alone was feasible.

Certain basic questions must now be asked. Does Bonn's dislike of the treaty and its insistance on guarantees indicate anything more than the determination of a State, occupying an ambiguous position in NATO and Europe, to make its voice heard and its power as a rich, if divided, nation felt? Alternatively, is there any evidence that President Kennedy and Mr Khrushchev are planning to arbitrate Germany's future afresh? Either way, can Bonn ensure that decisions are not taken over its head? Can it, for example, muster enough support in NATO to blackmail the United States into accepting demands of 'no negotiation without representation' or, failing that, try desperate courses such as the threat of another Rapallo or the open repudiation of its pledges by embarking on a nuclear weapons programme, alone or with France?

These questions are no sooner asked than, in a sense, they are answered, and in the negative. Put shortly, nothing is more significant than the measured deliberation of U.S. diplomacy since President de Gaulle's press conference of 14 January finally convinced President Kennedy that the ideal of an Atlantic Community or Grand Design was dead, and that, in consequence, he must negotiate with Mr Khrushchev alone. He made this choice although it meant a serious clash with de Gaulle and with Bonn. He has risked the disintegration of NATO in order to get a test ban treaty and, hopefully, something as enduring in related fields. He is taking a comparable risk in supposing that the search for a European *détente*—which, whatever it is called, means the effective division of Germany for the foreseeable future—will not be concluded at the price of seeing France and the Federal Republic unite as another nuclear Power.

It would seem reasonable to say that this risk is diminishing. Firstly, there is the decline of President de Gaulle's power to obstruct the search for a *détente* and to cause disunity in the West once President Kennedy decided to by-pass him and deal with Mr Khrushchev direct. Since this confrontation is based on equivalent nuclear power (a fact which had been disguised while Kennedy had been attempting to speak for 'the West'), the pretensions of any State which lacks this qualification have been rather cruelly exposed. It is perhaps not without significance that de Gaulle's solemn declaration at his press conference on 29 July that France would never use her nuclear weapons aggressively drew incredulous laughs. The point has not been lost on Bonn.

Washington has taken advantage of de Gaulle's decline in influence to rub home that it is U.S. nuclear and conventional forces, credible in both strategy and strength, which defend Europe. It is also interesting to note that de Gaulle's frequent taunt that the United States would not indefinitely defend Europe no longer commands attention in Bonn. Nor did Dr Adenauer ask for a guarantee of U.S. protection amid the plethora of assurances he sought after the test ban treaty was ratified.

As to NATO's smaller members, there is hardly one which will alien-

ate the United States to the point of opposing her attempt at an accommodation with the Soviet Union. Portugal, bitter about Washington's attacks on her colonial policy, might do so, but is too unimportant to affect the issue—and too generally unpopular. Italy, having seen her *Jupiter* missiles removed, is not likely to accept West Germany's argument that more sophisticated successors are essential to the defence of Western Europe. The Scandinavian and Benelux members support Herr Erhard's relatively progressive approach over European economic co-operation (another sign that the Franco-German *rapprochement* is more words than deeds), but have never liked Bonn's noisy voice in NATO or, for that matter, its growing military strength.

Yet it is precisely that strength which President Kennedy must negotiate in order to balance his search for a *détente* based on strategic considerations with his attempt to reconcile NATO, Bonn, (and Moscow) to the realization that West Germany is a nation in her own right, economically strong, militarily significant (within specific limitations), but nevertheless totally unable to impose or even to suggest a political settlement in Europe if this means raising the question of German unity or other shibboleths like the Oder–Neisse line. A strong Bundeswehr, deployed for non-nuclear territorial defence, has been an important element in Kennedy's policy since he armed to parley with Khrushchev. It is a policy supported by the SPD and favoured discreetly by Schroeder and Von Hassel.

In this complex yet potentially encouraging situation, Britain's policy remains typically equivocal. One of its few constant factors has been a determination to refuse a substantial military commitment in Europe. A *détente* has always been privately welcomed by British Governments if one bonus would be running down the expensive Rhine army and sending spare units to the Middle and Far East or keeping them handy at home. This attitude to European security has frequently caused dissension in NATO. It clearly does not please Bonn. Yet now that President de Gaulle has frustrated Britain's attempts to join the Common Market, it is to Bonn that Mr Macmillan looks for comfort and support. Dr Adenauer is perfectly aware of this contradiction in policy and, judging by the fervour of the British Government's declaration about non-recognition of East Germany, is doing his best to exploit it. Thus one of Washington's tasks in the coming months will be to point out to London that being nice to the West Germans does not necessitate being soft with them.

ANTHONY VERRIER

The new Cuban industrial policy

Two of the three most important industrial plants built in Cuba this year have been constructed and equipped by French firms. These are a gas

plant in Marianao, which cost approximately US $8 m., and a yeast plant based on sugar molasses, which will also produce cattle-feeds and may be extended to go into the production of alcohols and other chemical derivatives. The third major project, a kenaf textile plant (kenaf is a local substitute for jute), has been completed in Santa Clara by a Northern Ireland firm at a cost of US $4 m.

These three successful enterprises are the first of a vast new industrial construction programme which has been decided upon by the Cuban Government. The idea behind this programme is that the industrialization of Cuba must be based on locally available raw materials and be of such a nature that it can both substitute imports and be a source of export earnings in the near future. Because of these considerations, most of the original projects to substitute imports of consumer goods directly by manufacturing in Cuba have now been abandoned. These early schemes would in fact have resulted in a growing need for imports of fuel, raw materials, and even some of the basic components of the finished product. On the other hand, it is now thought that Cuba is ideally suited for the development of a chemical industry based on the waste products of sugar production.

This change of policy marks an important departure from the direction of economic affairs during the first three years of the revolutionary regime. In that period a large number of small and medium-sized industrial plants were bought in Eastern Europe in order to manufacture goods ranging from cutlery to household appliances, from pencils to ready-made clothes. In the absence of a systematic investment programme, the contracting for these factories was extremely haphazard. In many cases Cubans suspect that the East German, Hungarian, or Czechoslovak salesmen were more interested in their commissions than in supplying useful industrial plant; many of these factories turned out to be extremely uneconomic investments.

There now exists therefore, among the higher levels of management in Cuba, a slight suspicion of the quality of East European advice and equipment. The U.S.S.R. has not come in for this type of criticism because in fact very little Soviet industrial plant has been bought by Cuba. The U.S.S.R. has been mostly active in advising on technical agricultural matters, mining and mineral refining, fuel policy, and electrical power. The Russians have studiously left the Cubans to themselves when it came to solving the problems of general economic policy and industrialization.

It was against this background of suspicion that Cuba decided to change course and abandon her policy of industrialization by direct import-substitution. But her decision to develop a chemical industry based on sugar waste-products also contributed to move her away from communist Europe, because the plant she needs for such a development cannot be found in the communist world. In fact, the U.S.S.R. has

recently bought a number of such plants in Great Britain. It is equally obvious that she cannot hope to get such plant in the United States and this leaves only Western Europe as a possible supplier.

Two other factors are important in this respect: first, it must be pointed out that at present the Cuban economy is practically being managed by Chilean economists. Of the 700-odd Chilean technical advisers, engineers, medical doctors, and members of other professions who are now in Cuba, more than 100 are economists, and of these, forty-six occupy positions of high responsibility, including vice-ministerial and directorial posts: another sixty-odd work as statisticians, survey managers, agronomists, and managers of State enterprises.

The reason for this remarkable influx of Chileans into Cuba is fairly simple. The University of Chile is one of the largest and best in Latin America. For well over a century it has been turning out large classes of graduates, proficient not only in the traditional disciplines but especially in the new ones. Engineering and economics are two of these which enjoy a very high reputation in the Latin American continent. Until a generation ago, the Chilean economy was growing at a steady pace and the internal development and growing complexity of urban society easily absorbed every graduate which the University of Chile could produce. But for the last few years—and especially since 1953—the Chilean economy has been practically stagnant and there has been a steady growth of unemployment among the intelligentsia. On the other hand, since 1959 Cuba has lost almost 250,000 people who were allowed to go into exile to the United States. In that group were the immense majority of the professional people who, having attended university under the old regimes, were obviously members of the middle and upper classes and, as such, basically out of sympathy with the communist tendencies of the new regime.

Confronted with this grave shortage of trained personnel, the revolutionary Government appealed to the rest of Latin America to help, and because of the special internal conditions of their country, this appeal was most successful among Chileans.

It has been mainly due to the professional advice of this Chilean contingent that Cuba is now following a more sensible course in economic policy. Many of these Chileans went to Cuba because, as members of the Communist Party, they felt committed to the Cuban revolution in the same way that many extreme left-wing people felt committed during the Spanish Civil War. But in addition to the strictly political group, there is a large number—probably a majority—who are not members of any party and who went strictly because of their professional ability, attracted by the relatively high salaries offered by the Cuban Government. These are the people who apparently have managed to bring a considerable amount of rationality to the conduct of economic affairs, and may eventually

succeed in bringing Cuba massively into the Western European markets.

Secondly, this new line in economic policy coincides roughly with what has been termed the 'soft line' in politics, namely the orthodox Soviet Communist Party line in Latin America, which opposes revolutionary action and supports national liberation fronts and alliances with 'bourgeois' groups. According to this thesis, it is not necessary for Cuba to go through the austerity and sacrifice which are implied in the traditional processes of capital accumulation. A third of the world is under socialism and enjoys relative prosperity; the least it can do is to help Cuba over these first years by massive capital aid, technical advice, and the like, with no strings attached so that she can plan her own economic future.

This line of thought seems to be in the ascendant, and it is now obvious that the Soviet Union is resigned to pouring around US$140 m. per year into Cuba with no immediate hopes of repayment. Such aid—which arrives mostly in the form of consumer goods—liberates considerable Cuban assets in Europe, which are at present being used to finance purchases of much needed raw materials and industrial equipment.

CLAUDIO VELIZ

The strategic embargo: doctrine and practice

IN his lucid and informative contribution to the June issue of *The World Today*[1] Mr Oakeshott debunks the hard-dying myth of the stranglehold which the strategic embargo exercises on East–West trade and calls for a more empirical approach by the West on its application. His main conclusions strike one as true beyond dispute and the views expressed below are meant largely to support and complement his argument.

The current embargo list is the result of a process, partly evolutionary aimed at adjusting the 'negative list' to changing strategic exigencies in the light of technical developments in both West and East, and partly erosive by derestricting items or whole classes of equipment and materials over which, owing to their official or clandestine sales to the East, an effective embargo can no longer be maintained. It should be remembered that—short of a major political clash within the Co-ordinating Committee on Export Controls (Co-Com), and consequently within NATO—there is, in fact, no practical sanction against a Co-Com member country violating, by commission or omission, a strategic embargo rule.

Such a violation happens from time to time, and no amount of reprimanding of the country concerned by Co-Com and of the guilty exporter by his own Government can repair the harm done, especially if a 'leak' of technical know-how rather than of a strategic material has been involved. One could quote, as a case in point, the non-enforcement of the embargo

[1] 'The strategic embargo: an obstacle to East–West trade', by Robert Oakeshott.

on certain types of marine radar, previously strictly controlled, after one of the Co-Com member Governments allowed the sale to a communist country of a second-hand ship, without insisting on the removal of British-made marine radar of a specified type installed therein. The radar in question was thoroughly examined by the communist country concerned and the technical knowledge thus obtained pooled throughout the Eastern bloc. Such indiscretions are mostly due to administrative errors and inefficiency.

Apart from such violations of the embargo, there are, of course, others arising out of differences between the members of Co-Com in the interpretation of the embargo stipulations. The restriction on civil aircraft, for instance, was finally limited to models which had been in commercial use for less than two years, after one of the Co-Com members had allowed its national airline to sell some of its rather obsolete machines to the airline of a communist country. The selling airline pleaded that this was its only chance of getting rid of these aircraft at a good price and the Government concerned sanctioned the transaction in 'the national interest'.

The 'national interest' criterion is occasionally invoked by a member of Co-Com wishing to authorize the export to the Eastern bloc of some particularly (financially) important but embargoed item of equipment, manufacturing licence, or other form of technical know-how. Co-Com debates and decisions being shrouded in mystery, it is not clear whether a member State's pleading of 'national interest' can, under some exceptional procedure, legitimately override a Co-Com restriction or whether it does so in open defiance of Co-Com opinion. Obviously, such exports, whether or not truly in the exporting country's 'national interest', can become a factor seriously 'bending' Co-Com's embargo policy. Precedents having been created, internal pressures—commercial, political, and social (such as local or sectional unemployment)—within other Co-Com countries are likely to force them to present their own cases of 'national interest'.

Another factor, occasionally tending to distort the policy of a joint embargo, can be seen in the preferential treatment accorded by some Co-Com members to certain countries of the Eastern bloc for reasons of policy, traditional co-operation, special economic links, etc. (This does not, of course, refer to Yugoslavia which is regarded, in spite of its communist regime, as a politically non-committed country and not within the sphere of the embargo.) Such preferences, although mostly accorded on embargo 'fringe' items and justifiable in some way or another, have nevertheless a cumulative effect on Co-Com's embargo policy. In conjunction with the other factors already mentioned, they inevitably erode its consistency and uniformity.

Mr Oakeshott summarizes the criteria of definition of direct strategic significance as the relative uses of a particular item for military and non-

military purposes, its sales in non-embargoed markets, and, finally, the 'availability or otherwise of the relevant technology and know-how (p. 244). The first mentioned is of limited application. Many modern technological processes are equally applicable to military and civil equipment, and special and rare materials are generally used in both. To quote an obvious instance, the whole area of miniaturization, embracing electronic, electrical, optical, and mechanical equipment and components, is of the greatest, and very obvious, military importance, but at the same time it is quite essential to many purely civil developments, such as medical services, telecommunications, radio and television, civil aviation, peaceful scientific research, etc. The second criterion, based on commercial rather than strategic considerations, appears in any case to be rather inconclusive and open to varying interpretations.

The third, namely the availability of relevant technology and know-how, whilst basically sound, overlooks a most important point. A strategic material, piece of equipment, or component may actually be manufactured in one or several of the more advanced communist countries but may be of inferior quality or not manufactured in sufficient quantity. The Soviet Union's spectacular technological successes are believed by many to represent what is known as 'production of prototypes', whereby enormous resources of material and skill are concentrated on relatively narrow sectors of industry and research in order to achieve a breakthrough of special military or prestige importance. Such results, whilst justly admired, are obtained at the expense of neglecting wide sectors of supporting industries and of those rated as of lower strategic value. Even so, the attainments in question may frequently represent only individual pieces of equipment and not manufacturing geared to quantity production.

To quote an example: one of the countries of the Eastern bloc has been spending a great deal of foreign exchange in order to import from the West a certain component which is known to be made in the Soviet Union. The Russian component, however, was less reliable, very expensive (even in local currency terms), and, in addition, its output only just covered the Soviet Union's own needs. After an agonizing reappraisal, the satellite country, tired of interminable delays and procurement difficulties, finally switched its purchases to the better, cheaper, and easily obtainable Western product. The latter had escaped the embargo net on account of the fact that Russia was already producing a roughly similar type.

A country with such enormous economic potential as the Soviet Union can, and will of course, translate its new technological developments into large-scale production, eliminate shortages, and improve quality and standards of reliability—in due time. The vital time-factor can, however, sometimes be purchased, thus avoiding years of additional research and

lessening the period of transition from pilot plant to general manufacture, by means of buying Western equipment and the Western know-how embodied in it, even though the same equipment is theoretically available inside the Soviet Union.

No one doubts that the Soviet Union would, in due course, have developed jet engines entirely by her own means, but many years of work and considerable financial outlay were saved when the Ministry of Supply in the first post-war British Government agreed to sell her a few Rolls-Royce 'Nene' engines. Most probably it was on account of the time-factor that the United States forced through an *ad hoc* embargo on steel pipes for the oil pipeline sponsored by Comecon. Even though the Russians may, ultimately, produce the outstanding tonnage of oil-pipe themselves, the United States appears to have achieved in this case the strategic effect of delaying the pipeline's completion and commissioning.

On the other hand, the oil-pipe deficit inside Comecon may simply have been a case of bad planning, curable by a rearrangement of steel priorities though at the expense of some other project. In this context one might remember that neither the planning policy of Comecon nor that of the individual communist States is faultless. It would appear that the colossal expansion of steel works throughout the communist area has rather outpaced both the development of the steel-processing industries and also the supply of the necessary raw materials. Several years may be needed to restore the balance and here again the time-factor is of considerable importance.

Having said all this, one should not underestimate the technical difficulties involved in compiling 'negative lists'. This means, in practice, navigating between the Scylla of too wide a heading, thus roping in a vast number of operationally non-strategic items against the anguished protests of the business interests involved, and the Charybdis of too detailed technical definition—which would be impracticable unless enforced by legions of experts.

The American attitude to the strategic embargo might perhaps be likened to Stalin's war-time reply on the question of Germany's future: 'Perhaps we can't kill all Germans but let us at least try.' Thus if Co-Com refuses to adopt as its embargo policy a simple extension of the terms of economic warfare, the policy should at least resemble them as far as possible. This view is not illogical in strategic terms but obviously impracticable against the post-war political and economic background. In consequence, the United States is largely on the defensive in Co-Com and has been fighting a determined rearguard action over the last ten years or so.

In some cases, the U.S. attitude of dogmatically maintaining the existing range of the embargo has brought her—and Co-Com—in conflict with functional international agencies. For instance, the International

Civil Aviation Organization (ICAO), responsible for maintaining an improving the standards of flying safety, has been issuing mandator recommendations to all its members (including some communi States) on the installation, both in aircraft and at airports, of various ad vanced navigational and landing aids. These included, *inter alia*, high frequency multi-channel airborne communications sets and Instrumer Landing Systems (ILS) both on the ground and in the air. Communis ICAO members were, however, unable to purchase this equipment—nc at the time made in the Eastern bloc—as it was strictly embargoed. I spite of the United States being at the same time a most active, if not th leading, member of ICAO, the Americans effectively opposed any re laxation in this direction in Co-Com. In consequence, the communis countries' national airlines—and their non-communist passengers- were exposed to unnecessary risks and it took many years of struggle b the United Kingdom and other Co-Com members to derestrict th aviation safety aids in question.

Whilst, however, anxious to withhold from the communist bloc th mainly British-manufactured ILS systems, the United States was quit willing to allow her own manufacturers to sell all over communist Europ an advanced navigational aid, the VHF Omni-Range, which was at th time a total American monopoly. It is difficult to escape the conclusio that U.S. policy in Co-Com on aviation equipment and aids was dic tated, partly at least, by commercial rather than strategic consideration Such tactics, even when not entirely unjustified, were bound to caus much resentment leading to other Co-Com members retaliating in kin whenever possible.

In general terms of East–West trade, it is clear that the Eastern blo only wishes, and perhaps is only able, to trade with the West on a bi lateral basis. As regards trade between the U.K. and the Eastern bloc the visible balance is usually in favour of the latter, though this is largel made up by communist purchases of Commonwealth raw materials, suc as wool, rubber, tin, colonial produce, and so on. To buy these com modities, the communist countries have to earn their sterling some where and there is certainly a case for allowing them to run up th necessary sterling surplus by exporting more to the United Kingdom

But if the U.K. should ultimately join the European Common Market with the consequent gradual but unavoidable withering away of he economic links with the Commonwealth, would she still have a mora obligation to provide sterling for communist countries' commodit purchases in the Commonwealth markets? These purchases, once upon time exclusively transacted via London, are now being increasing switched direct to the Commonwealth countries of origin, thus depriving the U.K. of the shipping, insurance, and brokerage earnings which con stitute a large part of her invisible exports to communist countries. Thi

problem belongs, however, to the less immediate and more uncertain future, and under the present circumstances there is, naturally, no case whatever for limiting Eastern exports as such to the West, subject only to general strategic and economic safeguards.

By and large, the communist bloc has to trade with the West within the limits of its available Western currencies. Experts are becoming increasingly sceptical about Russia's reputedly enormous hoards of gold and large current output. Even if they are wrong, it can hardly be expected that the Soviet Union will agree to finance with her gold all chronic trade deficits with the West incurred by the rest of the bloc.

The abolition of Co-Com, unless it is replaced by some similar body, is unthinkable as long as the present international situation—as distinct from the international atmosphere—continues. What constructive suggestions can be made in addition to those already put forward by Mr Oakeshott?

A more uniform and consistent embargo policy, allowing a rapid derestriction of no longer strategic items with at least a twice-yearly, if not more frequent, review would appear a highly desirable short-term target. Co-Com's aura of secrecy must, however, remain for strategic as well as tactical reasons. Existing for the very purpose of containing, or slowing down, the growth of the Eastern bloc's war potential, Co-Com must be able to keep the opponent 'guessing'. Making the relevant information available to the general public would be tantamount to supplying it, free of charge, to the other side.

JEAN JACQUES DUPREZ

The politics of United Nations finance

TERENCE HIGGINS

To say that the financial crisis facing the United Nations is caused by the refusal of members to pay for the budget is to oversimplify the issue. So far as the regular budget is concerned, there is no major problem. Certain member States have, however, been refusing to contribute to specific 'peace-keeping' operations of which they disapprove and which are financed by separate accounts. Under the terms of Article 17 of the Charter, the General Assembly is authorized to approve the budget of the Organization and to apportion its expenses. Whether this power extends beyond the regular budget to the emergency 'peace-keeping' accounts is a point to which we shall return. This point, and the issue of arrears and the appropriate criteria for assessment, have been hotly debated; yet at heart the financial crisis is a political one, reflecting the varying, and sometimes ambivalent, attitudes of the members towards the role of the Organization. Generally speaking what is lacking is not money, but political *volens*.

The amounts required to finance the operations of the U.N. appear trivial when compared with the sums normally spent by the Governments of most of its member States. Appropriations for 1962 totalled approximately $214 m.[1] This amount covered the regular budget, the U.N. Emergency Force in Egypt (UNEF), and the *Organisation des Nations Unies au Congo* Force (ONUC). It did not include the Specialized Agencies and the International Atomic Energy Agency, which have their own budgets, or voluntary programmes such as UNICEF and UNRWA, which rely on the generosity of Governments and private contributors. In political terms, however, one cannot exaggerate the importance of the U.N.'s financial difficulties.

The creation of UNEF and ONUC to resolve the Suez and Congo crises extended the U.N.'s peace-keeping role by filling the lacuna between full enforcement action on the one hand and mere observation and fact-finding missions on the other.[2] However, no permanent financial arrangement to cover these or similar operations has been made, largely

[1] Equivalent to some 4·3 per cent of Britain's defence budget, which could have been covered by less than 10 per cent of the U.K. tobacco tax of the same year.

[2] See 'U.N. Action for Peace' by Alan James, in *The World Today*, November and December 1962.

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because dispute has continued about the relative powers of the Security Council and the General Assembly within the Organization and its corresponding ability to meet future threats to international peace and security. Mere determination to act in 1956 and 1960 was not sufficient to enlarge the U.N.'s role permanently. A satisfactory solution to the financial problems has still to be found if these actions are to be confirmed as effective precedents.

The normal budget procedure

Both the financial problems and their political origins are best examined within the institutional framework of the U.N.[1] The regular budget has never been restricted to purely routine expenditure, items such as costs of the International Court of Justice, technical assistance, and observation and fact-finding missions being included as well as the costs of administration. Each year it is prepared by the Secretariat, from estimates submitted to the Controller by the various departments, and the complete budget for the calendar year is passed to the Secretary-General some three months before it is due to be submitted to the General Assembly. In the intervening time the Advisory Committee on Administrative and Budgetary Questions makes a detailed examination of the proposals and prepares a report. Both the budget and the report are then considered by the Fifth (Administrative and Budgetary) Committee of the General Assembly, which makes cuts if necessary and submits its decisions to the plenary body of the Assembly for action.

The scale of payments to be made by members to meet the budget is determined by the Committee on Contributions, which bases its assessments primarily on ability to pay as indicated by data on national incomes and incomes per head of population. After the immediate post-war period the U.S. assessment was, however, limited to one-third of the total, in order to reduce the dependance of the Organization on one member, and the differential between the U.S. *per capita* assessment and that of countries, such as Canada and Sweden, with higher *per capita* assessments was fixed. In recent years the basis for regular budget assessment has become generally recognized and the scale adopted has therefore also been taken as a starting-point for the controversial apportionment of peace-keeping expenses discussed below.

At the U.N.'s inception, provision was made for an emergency working capital fund to provide finance until the first annual budget was approved and, subsequently, a regular working capital fund was established to finance budgetary expenditure while members' contributions were

[1] For a full account of the United Nations financial history and structure see: *Financing International Organization: The United Nations Budget Process* by J. David Singer (The Hague, Martinus Nijhoff, 1961). An excellent short account is given in *Financing the United Nations* by John G. Stoessinger (Carnegie Endowment for International Peace, November 1961).

awaited, to meet emergency or contingency expenses, and to provide loans to the Specialized Agencies. Contribution to this fund takes the form of cash advances by members. The amount needed to bring the fund up to the amount stipulated by the General Assembly (which has varied from $20 m. to $25 m.) is levied in accordance with the scale adopted for the same year—individual contributions being adjusted according to the amount already paid to the fund in the previous year, any excess being set against the contribution to the balance of the assessment and any deficit being paid into the fund. This arrangement, combined with the fact that the fund is the first charge on any payment made in either year, has ensured that outstanding payments are usually less than 1 per cent of the fund.

Accounts are due in full within thirty days of receipt of a letter from the Secretary-General, or on the first day of the financial year, in practice normally 31 January. But payment of the *balance* of each annual assessment is seldom made on time, either because national budgets are appraised at other times of the year or because the country concerned is itself in financial difficulties. In spite of such delays, collection of contributions to the *regular* budget has *not* presented a major problem in the past. Article 19 of the Charter states:

> A member of the United Nations which is in arrears in the payment of its financial contributions to the Organization shall have no vote in the General Assembly if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding two years. The General Assembly may nevertheless permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.

So far it has not been invoked but several, mostly Latin American, countries have narrowly escaped by paying just enough of their arrears to avoid losing their votes. Last May the principle that the penalty is *automatic* appears to have been established by a letter from the Secretary-General to the Assembly President, which stated that Haiti was formally in arrears, and a reply to the effect that loss of voting rights would have been announced to the Assembly had Haiti's representative been present to participate. This precedent could prove significant if peace-keeping costs are treated—in spite of communist and French objections—as part of the general budget, for each country refusing to pay for peace-keeping operations will then fall in time into arrears on the overall budget and be subjected to the sanction of Article 19.

Primary responsibility for the maintenance of peace and security is assigned under Article 24(1) of the Charter to the Security Council, which may if necessary take enforcement action. Ever since the case of Greece in 1946, however, the General Assembly has been responsible for sending some U.N. observation and fact-finding missions to troubled areas at the

request of the parties concerned. The creation of UNEF as a para-military force in 1956, to supervise the withdrawal of Anglo-French and Israeli forces from Suez and to maintain peace, fell somewhere between these two extremes; it was neither an enforcement action nor a mere patrolling operation. Action by the Security Council was blocked and the matter was then referred to the General Assembly which decided to set up an effective force but found that immediate finance could only be raised on an improvised basis.

Finance for UNEF and ONUC

The Secretary-General, anxious to obtain cash for this force as soon as possible, recommended that a Special Fund, outside the regular budget, should be set up and contributions should be assessed on the same basis as the 1957 budget, $10 m. being the initial amount required. This proposal was debated fiercely in the Fifth Committee and, although it was eventually approved, it became clear that those members wishing to dispute the transfer of power from the Security Council to the General Assembly and the enlargement of the U.N.'s peace-keeping function would continue to do so by refraining from payment of their contributions on the grounds that UNEF costs were not proper 'expenses' of the Organization. Moreover, they would receive some support from other members who did not wish contributions to UNEF to be assessed on the same basis as the regular budget.

The first group, led by Russia, has consistently maintained that UNEF costs may not legally be raised by the Assembly, and that failure to pay could not in itself lead to the invocation of the sanction in Article 19. In addition, it has argued that the cost of such operations should be borne by the 'aggressors'. Another group, comprising mostly Latin American countries, has contended that the members of the Security Council should pay a higher proportion of UNEF costs, in view of their primary responsibility for peace and security, and yet another that the poorer nations should not contribute as high a proportion to peace-keeping operations as they do to the regular budget. The majority view none the less remains that the costs of UNEF are expenses of the Organization which should be covered on the same basis as the regular budget and supplemented by voluntary contributions.

In the event, once the General Assembly motion, passed on 21 December 1956, had confirmed the principle of collective responsibility, the United States agreed to meet half the cost of UNEF in excess of the initial $10 m., providing other countries contributed the remainder. A similar debate and pattern of assessment has followed in successive years, but arrears and defaults have none the less continued to mount.

The debate on the financing of UNEF was still continuing when the Congo crisis arose. In this case the situation was somewhat different since

the actual force was established by the Security Council and not the Assembly. Attempts in the Fifth Committee to treat ONUC expenses as part of the regular budget (authorized by Article 17 and subject to the sanction of Article 19) failed, and eventually a compromise was reached. The General Assembly established an *ad hoc* account, covering the balance of initial expenditure outstanding after the United States and Russia had waived their claims to payment, and it resolved that contributions should be regarded as covered by Article 17 and assessed on the 1960 scale. In addition, Belgium was asked to pay an exceptional contribution and it was agreed that any voluntary contributions should be used to reduce the assessments of the poorer countries.

Attempts to use a similar formula to cover ONUC expenses in 1961 were not successful, however, because of the emergence of differing political views on the role of the U.N. in the Congo, and eventually a far weaker resolution was passed in the plenary session, which apportioned the $100 m. required for the first ten months of the year on the 1960 scale but left the future basis for assessment open. The permanent members of the Security Council and Belgium were called on to make further voluntary contributions and the assessments of the poorer countries, particularly those benefiting from the expanded programme of technical assistance, were again reduced. No mention was made of Article 17, in contrast with the previous year, and the costs were described as both 'expenses of the Organization' and as 'extraordinary' expenses.

In an attempt to resolve conflicting interests, the General Assembly therefore established a Working Group of fifteen which decided to concentrate on: '(*a*) Methods of covering peace-keeping operations' and '(*b*) The relationship between such methods and the existing administrative and budgetary procedure of the Organization'. After collecting the views of its member Governments and others and consulting the Advisory Committee, the Group concluded that it was unable to find a sufficiently large area of agreement for it to present recommendations to the General Assembly. It could do no more than clarify the issues and the positions of the various groups and suggest that the General Assembly consider whether it should ask the International Court of Justice for an Advisory opinion. This view was noted, and by a resolution of 20 December 1961 the Court was asked whether the costs of UNEF and ONUC authorized by the General Assembly constituted 'expenses' of the Organization within the meaning of Article 17 of the Charter.

The problem of arrears

In the meantime, the problem of arrears and the need for immediate finance were becoming more pressing. As we have seen, no country, with the recent exception of Haiti, has fallen two years behind on payments for the regular budget. Arrears and defaults on assessments covering the

UNEF special account and the ONUC *ad hoc* account have, however, amounted to something like a third of the total each year.

The initial strain of the expenditure on UNEF in 1956 naturally fell on the working capital fund which at the time was limited to $21·5 m. It was subsequently increased to $23·5 m. for 1958 and $25 m. for 1959–60. But the additional cost of ONUC from July 1960 onwards soon exhausted the fund completely and the attempts of successive Secretaries-General to provide cash are poignantly summarized in their forewords to the 1962 and 1963 budget estimates.

The net cash deficit at 31 December 1960 in respect of activities wholly or primarily financed by means of assessment on member States totalled $34.6 m.; $24·6 m. of this had been covered by the balance in the working capital fund and almost $10 m. by borrowing from special funds in the custody of the Secretary-General, as authorized by General Assembly resolutions in December 1958 and re-authorized in December 1959. In addition to the cash deficit other immediate obligations for which no cash was available totalled over $52 m. Total U.N. liabilities at the end of 1960 were therefore something over $86·6 m.

Total assessments for 1961 (including pledged voluntary contributions of $21·1 m.) were $236·8 m. These covered the regular budget, UNEF (1961), and ONUC (July 1960–October 1961); but less than $71 m. had been received by mid-May. In January the Secretary-General had been forced to borrow $10 m. from SUNFED (the Special Fund for Economic Development). In February receipts enabled all borrowings from other accounts to be paid back, but by the end of the month borrowing had to begin again and by May it amounted to $19·5 m., despite receipts of $52·7 m. From May onwards (during the period when the working capital fund is normally at a low ebb) $10 m. donated by the United States to UNICEF also had to be used. It was repaid in December when net cash at $14·6 m. was higher (by $11·8 m.) than a year earlier; but total liabilities had risen to $126·4 m.

Clearly something had to be done to increase liquidity and on 20 December 1961 the General Assembly authorized the Secretary-General to issue bonds to the amount of $200 m., at 2 per cent interest, with the principal repayable over twenty-five years. During the first three months of 1962 obligations incurred exceeded income by a further $25·9 m. but the sale of bonds reduced the current deficit by $5·8 m. Subscriptions during the next three months totalled $60 m. and a year later they amounted to $144 m.

Overall the financial position has continued to deteriorate during the past year. However, the bond issue has given a breathing-space and it is doubtful if a more effective short-term palliative could have been devised. Countries outside the U.N. membership have been able to assist the Organization by buying bonds; annual repayments of principal and

interest will amount to little over \$10 m. per annum, a sum which can be assessed widely over all members, including those who clearly could not afford to pay an equitable share of high emergency costs immediately; and the constant danger that the U.N. will become financially dependent on the United States has been avoided. Most important, the principle of collective responsibility for the costs of peace-keeping operations, while still disputed in some quarters, has been reaffirmed.

The Advisory Opinion of the International Court

France declined to appear before the International Court and merely sent a brief note stating that the question asked should have covered the legality of peace-keeping assessments under the Charter and not their status as 'expenses' within the meaning of Article 17 (though such an amendment had previously been rejected in the General Assembly). Her position is curious. She has paid her UNEF assessments in full but has refused to contribute to ONUC on the grounds (spelt out in full at the 962nd meeting of the Fifth Committee) that, as the U.N. is not a 'super-state', no member can be obliged to pay for operations it does not like. France is thus attempting to ignore the fact that under the Charter she has given binding authority to the Assembly on budgetary matters.

The U.S.S.R., supported by other communist countries, contended, in an unprecedented appearance before the Court, that the expenses of the Organization referred to in Article 17 could only be taken to apply to the regular budget. The Assembly had no binding power so far as special, extraordinary accounts were concerned. In other words, the phrase 'expenses of the Organization' must in this context be taken to mean 'regular expenses of the Organization'. The Court, by nine votes to five, handed down the Opinion on 20 July 1962 that the authority of the Assembly under Article 17 extended to *all* expenses of the U.N., whether included or not in the regular budget. The financing of UNEF and ONUC by special account and *ad hoc* account was a 'mere book-keeping device' and of no legal significance. Moreover, one of the main purposes of the U.N. was to promote world peace, and it could not be assumed that the fulfilment of this task gave rise to 'irregular' expenses, unforeseen by the drafters of Article 17 and beyond its scope.

The Soviet Union argued that U.N. armed forces could only be organized by the Security Council, and that a force like ONUC which was engaged in sanctions could only be set up under Article 43 of the Charter, which article had never been implemented.[1] The Court found that, while the Security Council had a primary responsibility for peace, the Assembly also had a responsibility and was permitted under the Charter to set up

[1] Article 43 provides that agreements are to be concluded between the Security Council and other members of the U.N. for the provision of armed forces for the U.N. The Security Council being unable to reach agreement, no such arrangements have in fact been made.

para-military forces; UNEF was thus legal. Equally, ONUC was not engaged in sanctions and was therefore not subject to the requirements of Article 43. UNEF and ONUC were legally constituted bodies whose costs were legal expenses of the Organization. Nor was the Court of the opinion that the financial powers of the Assembly did not extend to forces such as ONUC which were set up by the Security Council. The Court thus indicated that the expenditures authorized by the General Assembly relating to the operations of UNEF and ONUC constituted 'expenses of the Organization' within the meaning of Article 17.

The Advisory Opinion of the International Court was approved (not merely noted, as some States had suggested) by the General Assembly in a resolution on 19 December 1962. None the less Russia has continued to refuse to pay her assessments for UNEF and ONUC and recently she has gone further and said she will no longer contribute towards the Palestine Truce Supervision Organization, the U.N. Field Service, or expenses in connection with the unification and rehabilitation of Korea, all of which are covered by the regular budget. Nor would she contribute towards U.N. bond interest and capital repayments.

The question now arises: will Article 19 be invoked if dissenting countries fall two years behind in payment of their overall assessments? If her present policy does not change, Russia will be in this situation early in 1964. France, having contributed to UNEF, is not likely to fall two years in arrears until later.

The Haiti precedent, already mentioned, makes it clear that in the view of the Secretary-General the invocation of Article 19 is automatic, and it is difficult to come to any other conclusion from a reading of the Charter. On the other hand, Russia may find some support for her contention that denial of voting rights is 'an important decision' which should only be taken after debate and a vote carried by a two-thirds majority. The Latin American countries in particular have maintained from the outset that it would be unfortunate if Article 19 were to be used to force members to pay towards peace-keeping operations and, although fear that they might be asked to pay heavy amounts unspecified in advance should have been allayed by the increasingly 'progressive' way in which assessments for UNEF and ONUC have in fact been made, their present position is open to some doubt. Moreover, other members could be intimidated by threats of Russian withdrawal from the Organization.

Unfortunately, there appears to have been little attempt so far to mobilize opinion against Russia in spite of the fact that her position is now clearly: (i) illegal, (ii) designed to restrict future peace-keeping operations by the General Assembly, in which the smaller countries have an ever increasing voice, and (iii) endangering the whole structure of U.N. finance. In part this is due to the ambivalent attitude of many countries, including the United Kingdom, but it is to be hoped that those wishing to

confirm the effective peace-keeping function of the U.N. will soon present a united front, whether or not resolutions carried at the recent Special Session enable a direct confrontation on the question of 'expenses' and the payment of arrears to be avoided.

Special Session of the General Assembly

The Working Group, with its membership increased to twenty-one, met regularly between January and March of this year. Its report has subsequently been used as a basis for discussion at the fourth Special Session of the General Assembly, convened between 14 May and 27 June primarily to discuss finance. This Special Session passed seven draft resolutions at its final plenary meeting. One of these extended the period for the sale of U.N. bonds to the end of the year. Two others were designed to provide finance for UNEF and ONUC for the next six months, to the tune of \$9·5 m. and \$33 m. respectively. It was decided to assess \$2·5 m. and \$3 m. of these amounts among all members in accordance with the regular scale of assessment for 1963, the two balances to be met on the same initial basis but with 'each economically less developed country' only paying 45 per cent of the regular scale. Both resolutions stressed that this reduction should not be regarded as a precedent, and at the same time called upon specified member States, with larger resources, to contribute voluntarily to special accounts, from which transfers would be made to the UNEF and ONUC accounts whenever a less developed country paid its assessment.

A fourth resolution—setting out guidelines to serve as a basis for sharing future peace-keeping operation costs—did little more than summarize the principles evolved in practice since 1956, but it added that provision for the financing of peace-keeping operations should, in future, be made by the General Assembly at the time of their authorization, and concluded by asking the Secretary-General to review possible methods to ensure this. Concurrently, the Working Group of twenty-one, perpetuated by a fifth resolution, is to consider special methods for the equitable sharing of peace-keeping operation costs not covered by agreed arrangements; other sources of finance; and ways and means of reaching the widest possible agreement on these issues.

A sixth resolution covered the problem of arrears. This is undoubtedly the most important. It began by an appeal to member States, which continue in arrears on contributions to the UNEF special and ONUC *ad hoc* accounts, to pay, regardless of other factors, as soon as their respective constitutional and financial arrangements can be processed and, pending that, to make an announcement of their intentions to do so. The resolution then went on to express the Assembly's conviction that 'Member States which are in arrears and object on political or juridical grounds to paying their assessments on these accounts nevertheless will, without

prejudice to their respective positions, make a special effort towards solving the financial difficulties of the United Nations by making these payments.' And, finally, it asked the Secretary-General to make arrangements with all countries in arrears, before 31 October, and to report progress.

The way is therefore open for those countries that have delayed making their contributions, pending the International Court's decision, to bring their accounts up to date. More important in political terms, the way is also open for States, such as the U.S.S.R., which wish to continue the debate on the respective responsibilities for peace-keeping operations of the Security Council and the General Assembly to do so without endangering their voting rights. If they pay up it will be impossible to invoke the sanction of Article 19, in spite of the fact that they have done so 'without prejudice'.

At the time of writing it is uncertain whether the communist countries will take advantage of the opportunity offered, but it seems probable that they will prefer to avoid a showdown on Article 19. Meanwhile Russia is seeking to establish the principle that each and every peace-keeping action must be approved by the Security Council, and she recently succeeded in demanding that the plan to send a U.N. observer mission to the Yemen be subjected to a Security Council vote. There seems, however, to be no justification for introducing a right of veto by a Permanent Member over arrangements agreed upon between two small States for resolving a dispute between them.

It is also uncertain how France will react to the Assembly's latest appeal, since those responsible for her extraordinary attitude on ONUC arrears, discussed above, may feel that she cannot pay up even 'without prejudice' and still maintain her present position.

A seventh and final resolution requested the Secretary-General to consult all member States and other interested organizations on the desirability and feasibility of establishing a voluntary peace fund. Perhaps the most remarkable thing about this resolution is the fact that it was passed at all, for, as we have seen, members have hitherto been extremely reluctant permanently to relax the financial restraints limiting the U.N.'s peace-keeping operations.

It would be unreasonable now to expect that the Secretary-General's inquiries will reveal a sudden change of heart on the part of those who fear that enlargement of the U.N.'s power in world affairs may be contrary to their sovereign interests. Moreover, even if an adequate peace fund is eventually established, it will be unable to do more than facilitate the *initiation* of action in a crisis. The more difficult problem of ensuring a flow of funds to enable the U.N. to follow up such action will remain unsolved. There is still much work to be done before a comprehensive solution to the U.N.'s financial problems is found.

The Maghrib liberated

NEVILL BARBOUR

BRITISH administration of Libya, in succession to that of Italy, was brought to an end by the granting of independence in 1951. In 1956 the Franco-Spanish protectorate of Morocco and the French protectorate of Tunisia were terminated. In 1962 Algeria ceased to be French territory and became an independent State. Today only Spain continues to exercise sovereignty in North Africa, and this is limited to the ports of Melilla and Ceuta, to five little islands lying just off the Mediterranean coast of Morocco, and to the enclave of Ifni on the Atlantic. The former have all been Spanish for centuries and are almost entirely Spanish in population; the latter, Ifni, acquired as a 'perpetual concession' under the terms of the Treaty of Tetuan which terminated the war of 1860 between Spain and Morocco, was only occupied in 1934. The Spanish Sahara farther south can hardly be considered, in the current meaning of the term, as belonging to North Africa.

Two of the newly liberated States are monarchies, one very old-established, the other modern. The other two are republics, one bourgeois in character, the other proletarian.

With the removal of foreign control, national traditions and characteristics tend to reassert themselves. Morocco is undoubtedly the country in which the persistence of tradition is most marked. It was an independent State for centuries before the imposition of the protectorate, and for 300 years had been almost completely isolated from foreign influences. Known formerly as the Sherifian Empire, Morocco, with her loose organization, her lack of homogeneity, and the vague claims of her ruler to religious and temporal supremacy over a vast area in the south and south-east, certainly resembled a medieval empire rather than a modern nation-state. She nevertheless possessed institutions which were deeply rooted in the public consciousness.

The prestige of the monarchy, which was the most important of these institutions, survived the forty-four years of foreign occupation from 1912 to 1956.[1] During that period the protectorate authorities changed

[1] See 'Morocco Between Two Eras' by the present author, in *The World Today*, September 1957.

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the character of the country by bringing the whole of it under the control of a central administration and equipping it with good roads, railways, harbours, schools, hospitals, and important industrial centres in and near Casablanca. Public services were controlled by directorates working to the Resident General in the French zone, and to the High Commissioner in the Spanish zone. There was, however, no indigenous constitutional development, so that when the foreign authorities were removed the Sultan (later King), though bound by a pledge to the nationalist Istiqlal Party to introduce constitutional government, found himself once again the only source of authority. Today the nearest parallel to the constitutional position in Morocco is that of Russia at the beginning of the present century.[1] There are no limits to the authority of the monarch, who has religious as well as temporal attributes. There is a Council of Ministers, but it has no collective responsibility for policy. Ministers are chosen by the sovereign, who is also his own Prime Minister, not as representatives of a party but on their individual merits. They have responsibility for the day-to-day running of their departments but may at any moment find themselves overriden by a palace decision.

Important political parties nevertheless exist and exercise with very little restraint their right of criticizing the Government. Of these the Istiqlal, in spite of the programmes which they publish on paper, can be regarded as conservatives when in office; they stand for constitutional development, but press the point more vigorously in opposition than when participating in government. The *Union Nationale des Forces Populaires*, who are the party of the progressive intelligentsia, have powerful backing among the industrial workers, though the *Union Marocaine du Travail* (the trade union movement) tends to take an independent line. Last December, in preparation for the first parliamentary elections ever to be held in Morocco, a leading member of the Government formed a new party, the Front for the Defence of Constitutional Institutions (FDIC); this was intended to provide a majority for the Government when the Constitution which the King had just promulgated brought a Moroccan parliament into being.

This Constitution had been approved in December by a referendum which was interpreted by many at the time as showing overwhelming approval of the royal Government. It now looks as if the approval was not so much in favour of the Government as of securing some constitutional advance with the least possible delay. For in the elections held in May seven of the King's Ministers were defeated, and the FDIC secured only a bare and uncertain majority *vis-à-vis* the two older-established parties, now in opposition. Alleging administrative interference, both of these, and the UMT, decided to boycott the elections, held in July, for the

[1] See 'Morocco under the New King' and 'A new turn in Moroccan affairs' by E. A. Alport, in *The World Today*, May 1961 and May 1963.

local and municipal councils. These were of special importance since the members of these councils will indirectly elect the members of the second chamber. Newspaper correspondents expressed doubts concerning the 75 per cent of the electorate who were officially claimed to have voted for the FDIC candidates in these circumstances. These doubts were heightened by the fact that a number of leaders and members of the UNFP had been arrested shortly in advance of the polling day, on account of an alleged plot about which no specific information was forthcoming in the weeks following the arrests. It appears that the King's regime, in spite of its western-minded outlook in many respects, considers it necessary to make increasing use of administrative and legal procedures to counter the Islamic conservatism of the Istiqlal on the one hand and the radical left-wing tendencies of the UNFP and the UMT on the other.

Meanwhile the social and administrative systems continue much as they were under the protectorate, except that in the government departments Moroccans have taken the place of French officials and French drive has been replaced by Moroccan easy-going. There has recently been a campaign against corruption. In the economic field there has been neither the bound forward anticipated by the nationalists nor the collapse prophesied by the colonialists. Industry continues at a reduced rhythm. The great chemical complex at Safi, conceived under the protectorate, is at last coming into being. The effort to formulate a long-term 'plan' has not resulted in the planned development hoped for; this seemed to be beyond the organizing power of a moroccanized administration, though the effort resulted in the collection of useful statistics. Departmental credits often remain unexpended at the year's end, for lack of qualified staff to implement the projects for which the sums have been allocated. The balances are used to finance the relief works, known as the '*Promotion Nationale*', connected with the name of King Hassan. These provide employment but are no substitute for planned investment. In difficulties, the Government turns to France for increased aid, relying on President de Gaulle's esteem for King Hassan. Schools have been greatly multiplied, but here again, in spite of 8,000 French teachers, lack of staff has prevented a corresponding increase in instruction. The former international zone of Tangier is drifting in the doldrums, but it obviously had to be integrated with the rest of the country and the consequent slump was probably unavoidable.

Against this are to be set very substantial achievements. After some initial trouble, security has been remarkably well maintained. The integration of the northern zone was very smoothly carried out. The Department of Public Works has maintained and extended the splendid roads in the south and greatly improved those in the north. The Ministry of Tourism has built new guest-houses in remote areas of tourist interest

and the means of access to them have been improved. Arts and crafts have been fostered and an effort made to adapt the wealth of Berber folk-dancing to the touristic interests of the present age.

The integration of the former Spanish zone has led to the teaching of French instead of Spanish in the schools in the north and to the replacement of Spanish-Moroccan by French-Moroccan methods of administration. On the other hand, the proportion of Spanish to French residents in the former French zone has risen. This apparent paradox is due to the fact that Spanish settlement has always been a matter of geographical proximity and economic necessities, while French settlement was primarily a matter of French political influence and has waned with it. Even so, with 155,000 French residents, Morocco now has a larger French population than Algeria.

Algerian problems

The circumstances of that country are entirely different.[1] On achieving independence, Algeria had nothing traditional on which to build, save the memory of the heroic struggles which she carried on in the nineteenth century to preserve her independence and in the twentieth century to regain it. A Turkish song, current in Anatolia until recently, calls Algiers the city where the streets are paved in marble and where the Aghas and Beys live in tall houses but forget Turkish and talk Arabic. Under French rule the settlers still lived in the tall houses, but it was the Arabs who forgot their language. In Algiers University in 1954 there were 4,500 European students, one for every 220 of the European population, but only 500 Muslim students, one for every 20,000 Muslims.

When the Europeans failed to preserve their privileged position and fled, the means of governing the Muslim proletariat had to be created by the new independent regime out of almost nothing. It chose, or perhaps we should rather say 'agreed'—for there was really no choice—to the factories and farms being run by committees of management appointed, or elected, from among those who had held minor posts of responsibility under the former European administration. The emergence of M. Ben Bella's regime after a period of near civil war had been patriotically accepted by his opponents; they simply abstained from public life or confined their opposition to urging the reunion of all valuable elements in dealing with the urgent problems of administration.

But though defeated, they had yielded on terms; these were that the prospective National Assembly should draft a Constitution and offer itself for re-election within one year, that is by September 1963. As this date approached, it became evident that M. Ben Bella was not prepared

[1] See 'The Struggle for Power in Algeria' by Clare Hollingworth, and 'Algeria, the taste of independence' by the present author, in *The World Today*, October 1962 and May 1963.

to reopen the whole question of the regime in this manner. In consequence, the Secretary-General of the FLN (M. Khider) resigned in April, some important opposition leaders took up residence abroad, and M. Boudiaf was arrested. In August M. Ben Bella, without any previous discussion in the Assembly, announced a draft Constitution establishing an authoritarian presidential regime, and postponed the elections. The President of the Assembly, M. Ferhat Abbas, thereupon issued a lengthy and strongly worded criticism of this action and announced his own resignation. For doing so, he was expelled from the FLN. At the same time the arrest was announced of the leaders of an extreme left-wing maquis in Kabylia, among them several Frenchmen said to be mostly of Jewish faith, who had supported the FLN during the struggle for independence. While these opponents represented conflicting points of view they appeared all to be actuated by dislike of the prospective total concentration of power in the hands of M. Ben Bella.

In present circumstances certain major objectives of the Tripoli Plan which are binding on the Government, such as decolonization at home and abroad, the arabization of the homeland, and the achievement of Maghrib and Arab unity, have to be very much played down. Algeria has to depend on continued French aid, both technical and economic; and her educational system would break down if the 10,000 French teachers departed. The proposed campaign against illiteracy is having to be directed to teaching writing in French, not Arabic. The nature of the great role in North African affairs, which Algeria confidently expects to play when her internal position is stabilized, remains therefore a matter of speculation to her neighbours as well as to more-distant observers.

The situation in Tunisia

Greatly as the 'Democratic and Popular' Republic of Algeria may differ from the Kingdom of Morocco, the two States are at least roughly equal in population. Not so Tunisia, their neighbour to the east. It is the smiling coastal plain, in which the 1,200-mile-long range of the Atlas mountains dies away, which gives Tunisia her special character. With a population less than half that of Algeria, Tunisia is overshadowed by the western neighbour looking down upon her from the embattled Atlas. The difference in social climate is striking. Well organized, homogeneous, and practising a mild non-proletarian socialism, Tunisia is as far removed from the revolutionary tendencies of Algeria in one direction as she is from the liberalizing imperialism of Morocco in the other.[1] In antiquity the country was successively the centre of Carthaginian, Roman, and then Arab, civilization in North Africa. As a Barbary state it enjoyed a relatively good reputation in Europe. In the nineteenth century it ri-

[1] See 'A Year of Independence in Tunisia' by the present author, in *The World Today*, June 1957.

valled Syria and Egypt in progressive tendencies, and was the first Arab State to experiment with a Constitution.

Since independence Tunisia has regained her good reputation. The World Bank has described her ten-year Plan as a model. President Bourguiba has manifested the western orientation of his country by declaring it to be more important to maintain productivity and ensure a fair distribution of wealth than to replace Frenchmen by Tunisians. Visitors to Tunisia see many signs of improvement. The amenities of town and village are being increased. Trees have been planted by tens of thousands; several excellent museums have been set up. Constructive work of a less tangible kind is to be noted in the improved legal position of women. Certainly the Government is in the hands of one party and one man, but, in spite of the doubts raised by the discovery of a plot last December, the regime appears to be based on the consent of the governed. The careful organization of the Neo-Destour party gives it stability.

On the other hand, Tunisia suffers from climatic and natural conditions less favourable than those of her neighbours to the west. The rainfall is notoriously irregular and unreliable. In case of drought, it is impossible to maintain the export of olive oil from the great groves that are the country's chief agricultural wealth, and instead of exporting wheat it becomes necessary to import it. Her soil contains phosphates, but not in the abundance or of the quality of those of Morocco. Prolonged investigation has failed to find oil. Though Tunisia now has her own Bank of Issue and controls her own tariffs, her need of foreign currency is acute, as the traveller realizes when he finds that he cannot take Tunisian money either into or out of the country. Though the issue of the Bizerta base is now no longer a cause of agitation, the fighting with France in 1961 resulted in a further exodus of French residents and a temporary interruption of the educational services owing to the consequent lack of French teachers. In fact Tunisia, in spite of possessing a higher percentage of professional men and technicians than Morocco, is no more in a position to dispense with French teachers and a privileged French market for her products than are the two more westerly States.

Developments in Libya

Morocco, Algeria, and Tunisia gain a certain unity from the strength of French influence in them in the past and from their partial dependence on France today. This sets them apart from the fourth State of the Maghrib, Libya: here Anglo-American and Italian influences are more apparent. Arabic and French street signs are replaced by Arabic and English, or Arabic and Italian, signs; hotels in Cyrenaica offer terms which include an English egg-and-bacon breakfast; one is expected to drink 'Nescafé', though the Arab inhabitants have excellent Turkish coffee, unlike the more westerly Arabs who offer one tea. The proximity of Egypt begins to

make itself felt by the occurrence of Egyptian expressions in daily speech. Young men in Benghazi frequent a pleasantly arranged and well-equipped U.A.R. reading-room. This is regarded with some suspicion by the Libyan authorities who mistrust the revolutionary and republican tendencies of their eastern neighbours.

Though the federal form of government has now been profoundly modified and a centralized administration is being substituted for it, the country must always consist geographically of three widely separated provinces. Vast in area, only a thin coastal strip in Tripolitania is cultivable; while in the Jebel al Akhdar in Cyrenaica, where the rainfall is sufficient to permit a large population to live off agriculture, the nomadic tastes of the inhabitants limit cultivation to a minimum. Thus Libya, with between 1 and 1½ million inhabitants, compared with 4 million Tunisians, 10 million Algerians, and 11½ million Moroccans, was until recently very much a poor cousin among the Maghrib States.[1] Revenues from taxation and customs covered barely one-third of the State expenditure, the deficit being made up from foreign sources, either in the form of aid or as payments in consideration for Libya's accepting foreign bases on her soil. Even more than her neighbours to the west, Libya has lacked trained personnel.

Since 1959, however, the economic outlook has been radically changed by the discovery of oil. Next year royalties should reach £20 m. a year, seven times the former internal revenue. The £30 m. spent by the companies in exploration, and in preparations for exploitation, have already profoundly changed life in Tripoli and Benghazi. Undreamed-of opportunities have been given for well-paid employment and for expenditure on schools and welfare. This has been accompanied, however, by inflation, speculation, and the over-development of the two big cities at the expense of the provincial towns and the countryside. In a land where agriculture was always difficult, the unremitting toil of cultivation is being abandoned for high wages in the city or at the oil installations, and for the consumption of imported food.

The increase of revenue has helped King Idris to fulfil his cherished plan of building a new capital at al-Baida in eastern Cyrenaica on a site dear to him as that of the first Senusi *zawiya*. The project is unpopular with officials and diplomats now established in relative comfort in the two capitals. Nevertheless, the establishment of a large city in an area where the ruins of Cyrene and other Greco-Roman cities show that agriculture once supported a population of perhaps millions instead of the 300,000 nomads of today must create such a local demand for wheat, fruit, and vegetables as may perhaps overcome the inertia of the present inhabitants or lead to their displacement by more active agriculturists. Its needs

[1] See 'Libya: Seven Years of Independence', in *The World Today*, February 1959.

should, in any case, revive the port of Derna, at present moribund, and provide a market for that city's market gardens.

The chief doubt concerning the future of Libya is the question as to how far the present King's successor will be able in due course to maintain the prestige of a throne which has so far been the directing and unifying force in the independent State. The revolutionary and republican tendencies of the new Algeria on the west are bound to reinforce the similar tendencies proceeding from the U.A.R. on the east. Such a measure as the recent Treaty of Friendship with the sister Kingdom of Morocco appears a symbol of intention and hope rather than a practical measure of reassurance for either country.

Efforts towards Maghrib unity

The differences between the four Maghrib States suggest that Maghrib unity is unlikely to be brought about any more rapidly than Arab unity in the east. Enthusiasm for such unity was generated first among North African students and workers meeting in France at a time when the French authorities took care in North Africa to keep the inhabitants of the three territories as far as possible in water-tight compartments. The fact that Libyans were not present in Paris and that Libyan independence was achieved earlier, and in quite different circumstances from that of the other three Maghrib States, explains the relatively slight interest which the idea aroused there. In the other three States, enthusiasm waxed and waned with the intensity of the struggle against France, except in the case of a few leaders like Allal al Fasi with the issue at heart for its own sake.

It was at one of the most critical moments of the Algerian struggle, between the bombing of Sakiet Sidi Yusuf in February 1958 on the one hand and the coming into power of General de Gaulle as the result of the Algerian settlers' rising in May of the same year on the other, that the call for Maghrib unity became strongest. In April 1958 a conference summoned by the Istiqlal Party of Morocco assembled in Tangier; this was attended by representatives of the Neo-Destour and of the Algerian Front of National Liberation. Presided over by Allal al Fasi, it was given further significance by the fact that the Foreign Minister of Morocco was among the Istiqlal representatives, the Tunisian Vice-Premier among those of the Neo-Destour, and Ferhat Abbas among those of the FLN. The conference recommended the formation of an Algerian Provisional Government, and also the establishment of a six-man Maghrib secretariat for the three countries and of a Maghrib assembly with sixty members. An Algerian Provisional Government was duly formed in August, and the secretariat also came into being and met on occasion, until the split in the Istiqlal in January of the following year caused it to lapse. The resolutions passed at the conference were presented to King Idris as well as to the Heads of State of Morocco and Tunisia and accepted by all of them.

With the passing of the immediate crisis, interest in Maghrib unity seemed to diminish. In 1960 the Tunisian refusal to support Morocco's claim to Mauritania was the first serious breach. In 1962 there followed an equally serious breach between Algeria and Morocco, when the former refused to discuss Moroccan claims on Tinduf and a local armed clash took place. Differences were intensified when Algeria in 1963 was classed by the U.A.R. with Iraq, Syria, and the Yemen as a 'liberated' Arab country, while Tunisia and Morocco were not. All this has made the prospects of Maghrib unity look very remote. Latterly Algeria has seemed to be using the idea mainly as a pretext for postponing the prospect of her joining the other 'liberated' Arab countries in a federation.

On the other hand, the theme of African solidarity has come to the fore in the three western countries. But while the idea of Arab unity is instinctive, that of African solidarity is something which comes from above. The Arabs belong to the white races and established themselves in North Africa by subduing the Berbers, an already established white race probably also from the east. The dominant Arab element in Mauritania, though dark by European standards, have always called themselves 'the whites' in contradistinction to the Negro populations in the south. The difference between Arab and European occupation as far as black Africa is concerned has always been the fact that though the former referred to Negroes as 'abid', which can be considered equivalent to the Europeans calling them 'boy', the man who began as a black slave could, and sometimes did, end up as a Grand Vizir, and the black girl-slave could, and sometimes did, end up as the mother of a Sultan. The sense of fellow-feeling between Arab States and Negro States has no doubt been nurtured by the fact that the imperial Powers, in their contacts with the Arabs, treated them not as they did the Turks, that is, as a fellow imperial race fallen on bad times, but as an only slightly superior kind of 'native'.

It remains true, however, that the whiteness of Arabs does render more difficult the achievement of African solidarity as far as they are concerned. M. Ben Bella's undoubted desire to help the Angolans is probably due to his belief that they are fellow-sufferers from colonialism rather than to any instinctive sympathy with a fellow-inhabitant of the same continent; he is equally enthusiastic for the Cuban revolution. As far as social affinities are concerned, he has stated that when he mixes with the people of Spain he feels that he is among second cousins. The Moroccan initiative in forming the Casablanca group was probably due as much to a desire to gain support for the claim to Mauritania as to any feeling of continental solidarity; and Tunisian promptitude in sending troops to the Congo was probably motivated as much by her general western orientation as by specifically African considerations. It remains very much an open question how far a sense of African unity will, in the long run, modify the far more deeply felt sense of Arab solidarity.

Civil rights or civil war in the United States?

NANCY BALFOUR

THERE is no single overriding reason why the second great crisis in the struggle for equal citizenship for the American Negro should have come in the centennial year of the proclamation by which President Lincoln freed those Negroes from slavery. Once again the crisis has broken largely because patience is exhausted, the patience of the Negroes and their liberal supporters, although not of President Kennedy any more than it was of President Lincoln. In retrospect it may seem that the call to action came from the Supreme Court of the United States; its constitutional function is to check the executive and the legislative branches of the Government, but in fact in recent years it has been leading them, on racial issues at least. The call came in May when Mr Justice Goldberg declared that indefinite delay in the elimination of racial barriers could not be countenanced, that the 'basic guarantees of our Constitution are warrants for the here and now'. But before that the frustrations of Negroes all over the United States had been brought to a head by the demonstrations against segregation staged in April with much publicity in Birmingham, Alabama. These set off a series of similar demonstrations in all parts of the country—760 of them in about 190 cities in the following ten weeks. They still continue at about that rate and have been a much more widespread and spontaneous expression of dissatisfaction than the 'sit-ins', 'freedom rides', picket lines, and so on with which Negroes had been making their carefully organized protests during the previous few years.

The situation in Birmingham is a good example of why the gradual approach advocated by the many Southerners who recognize that racial integration is inevitable, much as most of them dislike it, is no longer an adequate answer, even though it may still be the best one. Here was one of the largest cities of the south, a manufacturing centre with nearly a third of its population Negro, where business men, urged on by northern industrialists who have interests in Birmingham and helped by its Negro leaders, were trying to break the city's pattern of segregation. A start, in which Negro voters played a large part, had been made by getting rid of a reactionary city government. But before the new, supposedly co-operative one had time to take office and show what it was prepared to offer, Dr

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Martin Luther King, the Negro clergyman who heads a Gandhi-like movement of non-violent protest against discrimination, had come into Birmingham to demonstrate against segregation in employment, in schools, in public places such as churches and parks, and at lunch counters in shops which were glad to have Negro customers at other counters but would not let them eat with whites.

Local Negro leaders disliked Dr King's interference from outside, feeling that the new city government might react unfavourably. But he argued that the new council would think that only token improvements were enough unless it was shown the depth of Negro resentment. That his view was shared by the Negro rank and file was obvious from the enthusiasm with which they joined the demonstrations and went to jail under a city ordinance against parading without a permit. Unfortunately they provoked counter-demonstrations from reactionary white citizens and violence flared up; this in turn forced the President to send federal troops into the area, something which always arouses great bitterness among the many Southerners who have not forgotten the Civil War. The federal authorities, including President Kennedy himself, also used all their personal influence, mainly behind the scenes, to relieve the pressure in Birmingham, to prevent the local authorities from retaliating against the Negroes, and to set up a bi-racial committee of moderate whites and influential Negroes who until then, almost unbelievably, had no personal contacts with each other. Together they worked out a scheme for integration in public places and at lunch counters and for opening more jobs to Negroes; this scheme was still gradual but not all that much so and it is progressing well so far. Whether it will be enough to satisfy Negroes in Birmingham, now that they have become conscious of their rights and of their strength, remains to be seen.

The approach of the NAACP

One of the main reasons why Dr King chose to make a national example of Birmingham was because he was well aware that Negroes everywhere were becoming more aggressive, that their dissatisfaction was becoming more difficult to restrain. He feared that he would lose the support of his followers unless he could achieve some well-publicized success for his methods. In the past Dr King has been criticized by the leaders of other moderate Negro groups for his policy of moving in on a community on all racial fronts and then moving out again after he has stirred everyone up—and added to the membership and revenue of his Southern Christian Leadership Conference—leaving others to do the sustained work of seeing that integration really makes headway. This criticism has come mainly from the old National Association for the Advancement of Coloured People which has concentrated in the past on legal remedies; it is the organization to which the conservative middle-class Negroes belong and

it has brought the historic series of law suits which have established the Negro's right to vote, to go to school and college with whites, to sit in the same railway carriages, to use the same swimming pools, and in fact to be a full citizen of the United States.

But the NAACP's approach has ceased to be sufficient as more Negroes have become more aware of their predicament and more militantly determined to solve it. This was underlined at the NAACP's recent meeting in Chicago when younger members booed Mr James Meredith, the Negro who was the first to enter the University of Mississippi and who asserted his right to do so with the backing of the NAACP and of federal soldiers. Increasingly it and the other moderate Negro organizations have been forced to make concessions to demands for direct action. This summer has seen first a series of divisive arguments among the various responsible Negro groups and then a drawing together of all of them. They have recognized that the new urgency about the drive for civil rights requires a united front, not only against white resistance but also against Negro extremism, whether from the right (the notorious Black Muslims, for instance, who wish to cut off all contacts between Negroes and whites) or from the left (where violence and disruption seem an unavoidable and indeed desirable form of political activity). Thoughtful Negroes recognize that black and white Americans are going to have to continue living together and that lasting bitterness and estrangement would be a tragedy for both sides.

Violence there has of course been this summer, though not (by mid-August) on as serious a scale as many observers predicted. They were particularly afraid that the young Negroes, unemployed and bored during the long holiday months and likely to go on being unemployed during the winter as well if they are over school age, would get out of control. Lack of jobs for untrained young people, and the great number of such young people, is one of the most disturbing situations in America today. Both this, and the wider problem of unemployment in general, are far more serious among Negroes than among whites; the proportion of Negroes out of work, around 12 per cent, is twice as high as for the labour force as a whole, largely because their standards of education are lower and because they tend to be concentrated in places where economic activity is declining.

President Kennedy's civil rights Bill

President Kennedy has emphasized that Congress can help the Negroes most usefully by reducing taxes as he has requested, and thus encouraging economic expansion all over the United States, and by passing the various special measures for stimulating depressed areas, retraining the jobless, giving young people opportunities to acquire skills, all of which are designed to assist the unemployed whatever their race.

But the President has also asked Congress to legislate directly on behalf of the Negro. In the opinion of the Negro leaders and their liberal friends he has asked for this far too late. In their view this year's crisis is largely his fault, the result of Negro disillusionment at his failure to keep his promise, made during the 1960 election, to ensure that all black Americans should be guaranteed their full civil rights as citizens. These critics say that Mr Kennedy waited until racial tension reached breaking-point to give the lead which he should have given long before, that he gave it only when he saw the image of American democracy being smeared abroad, in Africa and other places where he wanted the United States to win allies, by derogatory headlines and unfortunate pictures of Negro Americans being attacked by police dogs.

It is true that Mr Kennedy did not want to join battle with Congress on this disruptive issue this year. He knew that his whole legislative programme, including his tax Bill and his proposals for alleviating unemployment, of so much more immediate importance to the Negro, would be jeopardized (as they are being) by a struggle with the conservative Southerners who exercise so much influence in Congress and who refuse to admit that it should concern itself with Negro rights. But it is also true that the President's delay in submitting a programme to Congress, once it became clear that he could not avoid doing this, was due not to reluctance but to a desire to let outside pressure on the legislators build up to such an extent that even the Southerners would accept the necessity for doing something constructive. This they seem to have done and there is little doubt that Congress will pass a civil rights measure of some sort at this session, after complicated parliamentary manœuvres, repetitive hearings, bargains over details, and long-drawn-out debates, especially in the Senate, lasting perhaps until Christmas.

The President asked for a packaged measure which, among other things, would give the federal Government power to bring law suits to prevent Negroes being denied the right to vote (its present authority in this field is inadequate); power to go to court to request desegregation of publicly financed schools and colleges; specific authority to refuse federal funds to any state or local programme—hospital building, welfare payments, etc.—in which racial discrimination is practised; and power to seek legal redress on behalf of anyone—individuals would also be able to sue on their own behalf—who is denied the services of any place, a hotel, a theatre, a shop, which is involved in inter-state commerce. The reason why it is essential that the federal Government should be able to bring proceedings is that the average Negro plaintiff has neither the knowledge nor the money or the courage to go to court on his own account.

The last of these proposals, the so-called public accommodation section, is the most controversial because under it the federal Government could interfere with private property rights. It is being introduced under

Congress's constitutional power to legislate for inter-state commerce, not under the Fourteenth Amendment to the Constitution, which forbids states to deny the equal protection of the laws to any citizen; the latter is the usual basis of civil rights legislation but there is some doubt about whether it would apply in this case. The use of the inter-state commerce clause has, however, alienated a number of potential supporters because this is the means used by Democratic Administrations ever since the New Deal to impose federal regulation on state and local authorities and, above all, on private business men. Thus suspicion of the public accommodation proposal goes even deeper than does the resentment against federal encroachment on the powers of the states, which is aroused by all civil rights legislation and which explains why such legislation is opposed by many thoughtful people who have no wish to deny equality to Negroes.

It has been suggested that in the end the public accommodation section may be sacrificed in a bargain with the Southerners to ensure that the other sections of the Bill go through. But if this were to happen the Bill would certainly not be acceptable to Negroes—which in the end it may not be anyway—since to them, and particularly to their well-educated, prosperous leaders, the most humiliating part of being a black man in America today is that, throughout the southern states, it is difficult for him to find a decent hotel room or even a lavatory which he is permitted to use. This is something which also harms America's diplomatic relations, especially since representatives of the new African Governments flocked into Washington, which is practically a southern city.

Negro employment problems

While the President's proposals, if approved, will speed up the desperately slow process of racial integration, as this summer's demonstrations have also done, it is doubtful if such legislation, or indeed any legislation, can do it quickly enough. This may once again be one of those situations, with which Britain is so sadly familiar, where a sense of urgency has come too late. Negroes, perhaps those who watch from the north even more than those who are involved in the south, are tired of a legal process which has meant that, after more than ten years of effort on the part of the federal Government and the courts, only a minute proportion of Negroes are allowed to vote in a state like Mississippi, where they make up almost half of the population, that only a couple of Negro students are attending white colleges in Alabama, that little more than a handful of Negro students are sitting in classrooms with whites even in a progressive southern state like North Carolina which almost welcomed educational integration—provided it was only token integration—when the Supreme Court decreed it.

But, even more important, what has come into the open this year is something to which sociologists have long been drawing attention, some-

thing which Negroes in the north have always known and which now th too are demonstrating about, often with more violence than there is in t south. The Negroes who have left the south in search of better jobs and less inferior way of life, as more and more have been doing, have foun that legal guarantees do not in fact mean equality. Philadelphia is an e ample of this: a Quaker city, with a large Negro voting population whic has a powerful political pull, a place where discrimination is banned b city ordinance, Philadelphia has nevertheless been this year the scene of whole series of racial disturbances, led by its Negro churchmen and b an unusually aggressive young head of the local NAACP. These have in volved successful boycotts of businesses and picketing of municip building projects which do not employ Negroes, and all have been i essence a demand for equal opportunities. For in Philadelphia economi openings are declining in number and this is the basic reason wh Negroes there feel that their position is becoming less favourable all th time.

The resistance to Negro progress increases as the Negro's desire for grows. Jobs are the most obvious example and here the building industr provides the most extreme case. Negroes complain that they cannot ge construction work; employers who would like to engage them cannot fin black electricians or carpenters who belong to the necessary trade unio nor can they even find Negroes who are skilled enough to belong. This i because apprenticeship is open only to relatives of present members c the union and these are white men. The Government in Washington ha been trying to break down this and similar barriers for years, refusing t give defence and other contracts to firms which permit racial segregation and the national labour organization has also been trying to stamp ou discrimination in trade unions. This year's stepped-up efforts have pene trated to a more local level in the unions and may therefore be mor effective. Employers who want to engage a Negro for a responsible job and today there are many who think it advisable to do so, particularl among those who do business with Negroes, complain that it is difficult t find qualified people—although once it is known that a firm is looking fo Negroes, better applicants are said to come forward. The Government i making special efforts to encourage Negro college students to join th civil service.

Racial segregation in schools

All this is leading to a situation in which a Negro may be given prefer ence over an equally suitable white worker—and in which it is therefor the turn of the whites to complain of discrimination. They are also be ginning to complain of this in another field in the supposedly integrate north—that of education. This is one consequence of the vicious circl of housing segregation which no law has yet been able to break and whicl

affects the growing number of middle-class Negroes in cities such as Chicago and Detroit. It is mainly a question of income; most poor people are Negro in these cities and the central residential districts have become black ghettoes; the better-off whites have moved out to the suburbs. But, when the Negroes try to escape too, they find either that they cannot buy or rent houses or that once they come into a district the whites leave it for fear that the value of their property will go down because they have Negro neighbours. Over the years this fear has set off some of the most vicious race riots and it can still do so.

In any event the Negro parents find their children attending almost entirely black schools. Indeed, one of the reasons why white parents move away from districts which are becoming predominantly Negro is because they think, with a good deal of justification, as Washington, D.C., has shown, that a large proportion of Negro pupils inevitably pulls down standards of education and of behaviour. But this means that many northern communities find that they have in practice just as much racial segregation in their schools as do southern towns. Since segregation is against the law and has been declared by the Supreme Court to have an unfair psychological effect on children, some of these communities—in New York, New Jersey, and Missouri, for instance—are using buses to take Negro children to school in white districts. The next step may be to bring white children into Negro districts, and at this point the school authorities are likely to find themselves challenged in court by white parents—and by parents who are not in favour of racial segregation. For the basis of the American primary school system, accepted by most of the educational experts, is the idea of the neighbourhood school and it can be argued that it is unfair to white and black children alike to separate them from their families and playmates in this way.

The 1964 presidential election

All of this, coupled with the publicity which the Negro protests are getting in the press, the attention which is being given to them by those in authority, the aggressiveness with which they are being conducted, the inconvenience which they are causing, means that a growing number of ordinary white Americans who sympathize with the aspirations of the Negroes, in theory at least, are coming to feel that they are going too far in practice. Senator Goldwater and his supporters insist that this will be a decisive issue in next year's presidential election, that the winner will be the candidate who stands up for the whites against the Negroes, who after all are only 10 per cent of the population.

Traditionally the Republican Party has wooed the Negro vote (although not very successfully of late), trying to cash in on the splits on racial questions between Democrats from north and south. But Senator Goldwater is prepared to jettison the Negroes. If he is given the Republi-

can nomination—there are plenty of influential people in the party who are determined that he shall not have it—then he believes that in this way he can carry the southern states. Many leading southern Democrats agree with him and at the moment it certainly seems as if most, if not all, of these states are lost to President Kennedy. In the recent primary election in Mississippi to choose a Democratic nominee for Governor, all three candidates vied with each other in denouncing the President who had sent federal troops into the state last year. It is, incidentally, on the cause of states' rights that Mr Goldwater bases his appeal to the south; he is very far from being a racist, even though many of his followers are. In 1960 Mr Kennedy could not have won the Presidency without the southern states—although even then he did not carry all of them. But as yet no detached observer gives Mr Goldwater or any other Republican much of a chance in 1964.

Rally of 28 August

What is going to happen next may be clearer by the time this article appears. For on 28 August Washington will see the biggest rally for civil rights ever held. Some 150,000 Americans, white and Negro, from every part of the country will parade 'for jobs and freedom' and for President Kennedy's civil rights legislation. Such a display of pressure will not necessarily swing undecided Congressmen into support of the Bill; rather it may drive them to oppose it. But at best this mass movement, organized jointly by the Negro groups and by their white friends, particularly those in the churches (which are playing an increasingly influential part in the civil rights affair), will display to the world that the Negro is on America's conscience, that there are men of goodwill in all parts of the country, south as well as north, who have involved themselves willingly in the battle for equality. At the worst the rally may bring more violence, but its organizers are determined that it shall not.

Whatever happens on 28 August, the demonstration will force more Americans to recognize their obligations towards their Negro fellow countrymen. How these obligations are to be fulfilled is, however, far from clear. One suggestion is for some sort of 'domestic Marshall plan', to make up to the Negroes for a century of neglect, to raise their admittedly inferior cultural and social standards to the average of the rest of the nation. Certainly more Negroes must learn to fulfil their duties as citizens, which too few of them do today, as well as to demand their rights. Certainly Southerners, and some Northerners too, must learn to escape from their prejudices. Southerners are not as universally narrow-minded as their public appearances often suggest; some of the ablest and most intelligent men in the Senate are the ones who are leading the southern obstruction to the civil rights Bill and some of the best spokesmen for it at the congressional hearings have come from the south. Probably the

most effective, even if the least spectacular, remedy is that for which the President and his brother, the Attorney General, have been working so hard behind the scenes all this year. They have been urging Negroes and whites to establish the direct communication which enables them to understand each other, something which even Mr Robert Kennedy himself found that he needed, organizing bi-racial local committees, appealing to business men, clergymen, trade unionists, lawyers, and so on to take an active interest in race relations, making people accept their personal responsibility, in this great moral issue, for seeing that race really does cease to have any place in American life.

Latin America's development crisis

DAVID HUELIN

LATIN America is in a state of economic and social crisis which the rest of the western world is now beginning to find frankly alarming. The comparative stagnation of the region's development during the last decade, in conjunction with an extraordinary population growth, is resulting in static or even declining *per capita* incomes; this in turn is coinciding with rising incomes in the northern hemisphere, an increasingly wide dissemination of modern communications, and a growing popular awareness in Latin America of the differences between actual and potential living standards. The rigid social structure of much of Latin America, described by Raúl Prebisch as 'stratification', has been widely blamed for the economic stagnation; the tendency for Governments to represent the landowning classes, the ambition of the middle classes to become landowners, and the conservatism and immobility of rural communities are all factors in the slowness with which modern reforms have been introduced.[1] These are not the only influences, however; economic facts have supported social rigidity and the nature of Latin America's export trade has, as it were, financed the latifundia system.

The world demand for primary commodities has attracted foreign as well as domestic capital into plantation agriculture and the extractive industries. This concentration of resources into the production of primary commodities for export has delayed the process of economic diversifica-

[1] See 'Obstacles to reform in Latin America' by Claudio Veliz, in *The World Today*, January 1963.

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tion and, by a failure to provide opportunities for more economic and productive employment, has led to the perpetuation of subsistence farming among remote communities.

Latin America has not taken part in world trade in manufactures and has not been able to export goods with a high labour-content. This is not to deny that there has been impressive industrial growth in a few centres but this development has so far benefited—particularly, for example, in Brazil and Mexico—only a comparatively small proportion of the population. It has been estimated that, of the total of over 200 million inhabitants, about 60 per cent are engaged in agriculture, but that agriculture contributes only about 20 per cent of the gross regional product. This means that within the agricultural sector the average annual income *per capita* is equivalent to only about US$110, while that in the industrial sector is about US $650. Agricultural incomes reflect not only extremely low levels of productivity but also an extraordinarily high birth-rate; in all but three of the republics over 40 per cent of the population is under the age of fourteen.

These figures indicate a problem of enormous magnitude. It is generally accepted that population growth tends to be inversely proportional to living standards; at the same time, an improvement in living standards calls for a reduction in the rate of population growth. The modernization of most of the Latin American economies requires that the agricultural sectors of their populations be greatly reduced; not only do millions of peasants and peons need more productive employment, but farming itself needs to become an industry rather than a means of subsistence, with adequate rewards for smaller agricultural communities. Considering the size of the agricultural population of Latin America, it seems unlikely that any significant changes could be brought about before the end of this century, but the size of the problem does not detract from the urgency with which economic modernization needs to be undertaken.

Foreign aid and investment

The Cuban revolution drew the attention first of the United States and later of Western Europe to some of the archaisms and social inequalities persisting in Latin America. A new awareness of many disturbing facts has led to a new sense of responsibility, accentuated by fears that continued neglect of Latin America's needs may lead to further 'defections' from the western idea. The basic concept underlying the Alliance for Progress is that communist-inspired revolutions, which are serious erosions of 'hemisphere solidarity', may be forestalled by voluntarily undertaken social reforms, and that the western world has a duty to finance the efforts of 'democratic' Governments to this end.

The greater danger seems to lie, however, in extreme economic nationalism rather than in Marxism. Many of the left-wing reformist

movements in Latin America find greater inspiration in Mexico than in Cuba and are more concerned to establish State control over their countries' basic resources, public services, and socially important industries than to import an alien economic and social doctrine. The United States is now becoming more concerned that 'democratic' Governments—as well as introducing social reforms—should create and maintain attractive investment climates so that private capital may do more than it has done to supplement official aid programmes and to relieve the U.S. Treasury of some of the burden. The recent assessment by the Department of Commerce committee for the Alliance for Progress (COMAP)[1] that the target of US $2,000 million a year for new capital, official and private, in Latin America is too low and should be increased to US $2,500 million makes it even more necessary for the Administration to mobilize greater private resources, since Congress, far from voting larger amounts for aid, tends to prune the Administration's requests.

There are certain contradictions involved in Washington's premises, which seem a little too ingenuous in some ways to fit the complex realities of Latin America. The centre and right-wing parties that come within the U.S. definition of 'democratic' can probably be relied on to preserve attractive investment climates and to respect all the rights of private, including foreign, investors, but they are unlikely to undertake the agrarian and other reforms that the Alliance for Progress demands. The populist movements are largely committed to precisely these reforms, but also to others that would involve the expropriation of foreign investments and would be most distasteful to U.S. opinion.

Another dilemma that faces Washington in its relations with Latin America is the charge of disguised colonialism, which can be argued from the offer of U.S. loans—however cheap and however long-term—to countries that are already heavily burdened with foreign debts. The payment of services on the existing collective debt of Latin America is already a serious impediment to trade and development. Similarly, the concentration in the past of U.S. capital in extractive and plantation industries can be made to appear—not without some justification—as a retarding factor in economic diversification; and investments in public services often look like a form of economic domination. The alacrity with which Washington normally jumps to the defence of private capital interests, as well as the expansion of the practice in the U.S.A. of giving private investors Government guarantees against expropriation and other hazards, serves to strengthen the impression in Latin America that private capital, no less than official aid, is an instrument of U.S. policy.

The left-wing parties in Latin America tend, for these and similar reasons, to be not only nationalistic in economic policy, but specifically anti-U.S. The nationalist principle that a country's basic reserves should

[1] Published in Washington, 7 April 1963 (*New York Times*, 8 April).

be owned or controlled by the State as an essential means of building a national, as distinct from a colonial, economy may be seen at work in Argentina, Bolivia, Brazil, Chile, Cuba, Mexico, and Venezuela, and it may be expected to appear elsewhere. It has already involved expropriations and nationalizations, sometimes carried out with too much political heat, and it remains as a deterrent to investors who are unable to distinguish between activities that are regarded in Latin America as of basic national and social importance, and those that are not. It must be admitted that in some countries the distinction is not always clear; in fact only Mexico has defined the two sectors unequivocally.

Even Mexico's solution cannot be guaranteed to prove acceptable to U.S. opinion; there have been acrimonious warnings on Capitol Hill that Alliance for Progress funds might be used to expropriate U.S. private undertakings. Complaints have also been voiced about the process described as 'creeping expropriation',[1] that is, the many annoyances experienced by foreign investors in nationalist economies, such as discriminatory taxation, price controls, competition from subsidized State enterprises, and similar encroachments which can accumulate to the point of making the foreigners' position untenable. It should be added that these difficulties have been experienced mainly by wholly foreign-owned companies and seldom by those in which foreign and domestic capital and management are combined.

There does not seem to be any cause for concern over the comparative smallness of the volume of foreign capital currently flowing to Latin America; its chief contribution is qualitative—through the introduction of designs, processes, and skills. The Latin American countries are still, despite nationalist feeling, free enterprise economies with not more than 30 per cent, on average, of economic activity in the hands of the State. Within the 70 per cent private sector only about 10 per cent, again on average, is foreign-owned. It therefore follows that considerably more than half the republics' economic activity is in private domestic hands, and that the region's own capital resources are considerable. From this it could be argued that the key to Latin America's development is neither foreign aid nor foreign investment—except in the technical sphere—but the more effective mobilization of its own capital potential.

Perhaps the mobilization of capital into productive activities will eventually involve the need to enlarge the machinery for indirect investment, in which the nationality and identity of individual investments would tend to disappear. The International Bank for Reconstruction and Development and its affiliates and, more recently, the Inter-American Development Bank have already made important contributions to Latin American advancement by showing the advantages of 'multilateralizing' foreign loans; that is to say, by placing their own bonds on international

[1] T. Graydon Upton, Vice-President, Inter-American Development Bank.

capital markets, they have acquired anonymous funds of no specific nationality. This principle could be usefully extended into the field of private investment and could possibly serve as a means of attracting back to Latin America some of the funds currently lodged abroad. The IADB, moreover, can make the most of its status as specifically established for Latin American development by directing capital resources thus acquired to the regions and industrial sectors of Latin America where they would be most effective as contributions to solid growth.

There are various obstacles, both in the United States and in Europe, that the IADB will have to overcome before any significant expansion of this principle of financing can be expected; but the Bank's strenuous efforts, combined with a tendency towards the relaxation of restraints in the European centres, suggest that more capital may become available to it in the future. Of still greater interest, perhaps, is the possibility of extending to Latin America itself the principle of 'multilateralizing' investments; by offering an attractive alternative to New York or Zürich, it should go a long way towards overcoming the reluctance of some Latin American investors to place capital in their own countries.

This principle will become more important in step with the achievements of the IADB, the Economic Commission for Latin America, the Latin American Free Trade Association, and other organizations, in shaping Latin America's development on regional rather than national lines. The planners in Latin America already regard the original first objectives of the LAFTA as too modest, and the thesis of economic integration is gaining ground. Ex-Presidents Lleras and Kubitschek suggested in their recommendations to the Alliance for Progress authorities that a committee for regional economic planning should be set up, and it is expected that the forthcoming meeting of the Inter-American Economic and Social Council will establish a 'Committee for Inter-American Development' under the chairmanship of Raúl Prebisch.

It is not clear to what extent the economists' attempts at integration—which will eventually call for many and far-reaching changes in industrial structures—will meet with nationalist opposition. Although it may be argued that the major ingredient of nationalist sentiment is a reaction against U.S. economic domination, there are other factors such as inter-Latin American rivalry and the national prestige attached to autonomous steel works and motor industries. Gradually, however, the manifest economic advantages of integration will come to outweigh the more emotional attractions of nationalism.

Foreign trade and payments

Among the most recalcitrant of all Latin America's economic problems are the closely related matters of the region's place in world trade and the persistent and mounting short- and medium-term external debt. The

downward trend of most primary commodity prices during the past decade has been eroding Latin America's share of world exports. In 1951 and up to 1954 the region's exports represented some 10 per cent in value of the total exports of the western world; since 1955 this share has been shrinking and in 1962 was less than 7 per cent. In terms of foreign exchange earnings this means that, if the region's exports had increased at the same rate as those of the rest of the western world and it had maintained from 1954 to 1962 its 10 per cent share, the total exchange earnings over the eight years would have been nearly US $20,000 million greater than they actually were. The significance of this hypothetical figure is that it is more than double the region's collective foreign debt in the public sector, amounting to some US $9,000 million, and probably exceeds the total commitments abroad of the public and private sectors together; it is also approximately double the total of long-term capital that entered Latin America in the period 1951–61. The figure is, in a sense, a measure of the extent to which Latin America has lost ground in other respects. It coincides with the original estimate of the region's foreign investment needs for 1960–70 made when the Alliance for Progress was announced and its annual average equals the 'COMAP' estimate of investment needs, amounting to US $2,500 million.

Although the decline in Latin America's share of world exports is largely attributable to the continuing fall in primary commodity prices, it cannot be deduced that export earnings would have been greater if the fall had not occurred, since higher prices may be reflected in smaller volumes of sales. The more significant fact is the failure of Latin America to diversify and enlarge its export pattern by the addition of manufactured products with a higher labour-content. The virtual absence of manufactures among the region's exports is not only a key factor in the foreign trade position and its allied debt problem, but also one of the major obstacles to further industrial expansion.

Industrialization in Latin America has so far been promoted by purely internal stimuli—chiefly the desire for import substitution, the need to provide employment for growing urban populations, and the desire to attract foreign capital. The process has made no significant addition to the region's exports, but has added considerably to its import requirements of costly capital equipment. Since these purchases have greatly exceeded the region's capacity for cash payment and have been made very largely on deferred terms, they are directly or indirectly responsible for the greater part of the short- and medium-term external debt.

This debt reflects not only the irreducible nature of Latin America's import needs but also the shortage of adequate long-term capital for financing industrial development. In fact the industrialization of Latin America, which should properly be regarded as a process involving decades rather than years, has been both accelerated and to a large extent

financed since the war by short-term loans bearing no relation in length to the process that they have promoted. Domestic monetary policies have also been a factor; Latin American industrialists, facing a shortage of capital accentuated by inflation, unable to obtain long-term capital, and reluctant to pay the very high interest rates normally ruling at home, have borrowed abroad on short term, either by obtaining loan capital through swap operations or by importing equipment with suppliers' credits. Governments and monetary authorities, in general more concerned with the immediate situation and the current year's balance of payments than with later years' commitments, have not discouraged these practices.

The existence of such external debts, especially when a large volume of commitments is concentrated in a few immediate years, is a serious impediment to imports and further industrial expansion at an adequate pace; it also weakens confidence at home and abroad and may lead—as in Argentina and Brazil—to a contraction in the supply of long-term capital from all sources, just when it is most needed. Generally foreign loans, both official and private—except for development loans—are on terms that are inversely proportional in length to a country's needs; the worse a country's immediate situation seems to be, the shorter will be the terms on which credit is available.

The incidence of inflation brings further difficulties. Some of the Latin American republics have lived with inflation for many years and are conditioned to it, and it is true that in its purely domestic manifestations it causes less concern than a more modest rate of inflation would cause in Europe or the United States. Inflation becomes a serious problem in Latin America when it affects the international payments position; it normally increases the demand for imports and encourages exchange speculation—especially when, as has often happened, the monetary authorities attempt to maintain a stable exchange rate—and sooner or later leads to a fall in reserves and a balance-of-payments crisis. The Government concerned then turns to the International Monetary Fund for a stand-by credit; the IMF has strong and highly orthodox views on monetary management and insists that inflation be brought under control. The only short-term administrative measure open to Governments is to restrict the expansion of the money supply in the private sector. The availability of local credit is thus further reduced and an industrial recession follows. The unprofitable nature of an industrial sector in recession leads to disinvestment, bankruptcy, and—as occurred in Argentina recently—a withdrawal of short-term money and a flight of domestic capital that leaves the balance of payments in a worse state than before. Moreover, since the inflationary factors include cost inflation and irreducible Government expenditure, credit restriction seldom achieves the desired monetary stability. These phenomena are by no means confined to Latin America,

but they may be observed, especially in Argentina and Brazil, in thei acutest form.[1]

One of the principal dilemmas facing the more advanced Lati American countries is the elimination of cost inflation as an essential ste for further development and the promotion of such development withou engendering further inflation and exchange crises. The solution almos certainly lies in industrial integration—meaning the formation of larg combines that would be able to operate efficiently within the whole of th Latin American Free Trade Area—and in the development of expor markets for industrial goods outside the Area.

Latin America possesses the potential for efficient and cheap industria production but needs both the capital to finance expansion and markets t absorb the goods. The tariff barriers in the rest of the western world ar an obstacle to the export trade, and the lack of export markets is a obstacle to expansion and the attraction of capital. It could be argued tha the western world, instead of demonstrating so much preoccupation wit aid and investments, might with greater advantage remove its tarif barriers; if Latin America were able to regain or exceed its earlier 10 pe cent share of the world's total exports there would be no need for aid, and investors would need no special encouragement to place their capital in the region.

The LAFTA provides the mechanism whereby Latin America can strengthen its industrial structure so as to be efficient enough to enter world markets. The opening of these markets is a subject for international negotiation and would call for many changes of domestic, including agrarian, policies in the rich countries of the northern hemisphere. These matters are already being deeply studied by various organizations in, and interested in, Latin America, and will no doubt be discussed at the U.N. World Conference on Trade and Development that Raúl Prebisch is organizing for next year in Geneva. The rich nations must be prepared to alter their domestic policies, and even to some extent their industrial structure, and to face the fact that their trade protectionism is leading and will lead to the economic isolation of Latin America. Only by giving the Latin American republics—and other developing nations—the opportunity to trade with them on equal terms can they ensure that these areas are brought into the orbit of western prosperity and social advancement.

[1] See 'The great debate on inflation in Latin America' by Dudley Seers, in *The World Today*, April 1963.

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South Africa—behind the boom

MARGARET ROBERTS

'We have not given the racial situation any thought whatsoever, either in short or long-term planning.' (A General Motors manager in South Africa, June 1963.)

THE question is very often asked: 'Why, if things are as bad as they seem in South Africa, do business men, local and foreign, continue to invest there? And why is South Africa so attractive to immigrants—now, of all times, more than ever since 1948?' There is, of course, a short answer in three parts. First, the present upsurge in business activity can be regarded as significant only in relation to the previous post-Sharpeville doldrums—despite foreign-exchange restrictions there is still a net outflow of capital. Second, business men are not characterized primarily by their political *nous*, nor are they motivated by moral considerations in making investment decisions. Third, immigrants to South Africa are attracted by prospects which they perceive, however wrongly, as falling outside the realm of 'politics'.

But these are generalizations, to most people as unconvincing as the early radical warning that 'ruling classes die by their own hand'. The General Motors statement quoted above would seem to carry the implication that those whose immediate interests are, to say the least, unharmed by 'the racial situation' cannot be expected to examine either the long-term implications of the situation or its moral undertones. It is more interesting, however, to look in some detail at the South African economy as it would appear to the business investor and the immigrant, bearing in mind that the viewpoint of each is particular to his respective objectives. As the *New York Times* (18 August 1963) put it:

> Adlai Stevenson, the United States representative at the U.N., deplored *apartheid* as a 'bitter toxic'. The white South African now calls it 'separate development'. . . The American investor calls it 'politics', and hastens to point out that his decisions are 'business decisions'.

Perhaps the simpler case of the immigrant may be examined first. This year South Africa expects to receive some 30,000 white immigrants compared with nearly 21,000 last year, and to lose about 7,000 emigrants, compared with 9,000 last year. The net gain is likely to amount to some

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23,000, nearly double last year's gain. In the first six months of this year, 16,000 immigrants were received, about 1,000 a month coming from Britain alone. Most are skilled artisans or professional people, and most have jobs to go to before they leave. It is estimated that an average of about 100 a month will have come from other European countries by the end of the year. This means that about half the expected 30,000 will be from other parts of Africa. There was a similar pattern in 1962. Of the 20,916 new arrivals 10,143 came from overseas, and 10,773 from other parts of Africa: over 7,000 from Rhodesia, nearly 2,000 from Kenya, and over 300 from Tanganyika and the Congo. During the two years 1962 and 1963 Britain will probably provide South Africa with about a quarter of her immigrants.

Attraction for immigrants

Why do they come? It is clear that the majority of those from Africa come in reaction against what they regard as weakness in the face of African nationalism and drawn towards what they see as firmness on the part of the South African authorities, or else simply to prolong a way of life in a white-dominated society in Africa. The reasons given by immigrants from Europe are somewhat different. At the head of the list of motives cited by 300 coming from Britain in May and another 500 planning to leave in September were the cold weather, the cost of living, and, interestingly, children's failure to pass the eleven-plus examination. If politics was mentioned, some said they wanted also to escape from Britain's 'colour problem' and added that they were undeterred by news or comment on South Africa's racial situation. Perhaps this is not surprising. Upon inquiry, a prospective immigrant is given a set of pamphlets which tell him that 'the shortage of skilled workers in the post-war period has resulted in increased wages which are, in relation to the cost of living, among the highest in the world'; that 'the winter is never longer than four months'; that 'there are ample credit facilities'; that 'grapes cost between 7 cents and 10 cents a pound'; and that 'most households are able to employ Coloured or Bantu domestic help on a full-time basis.' If, thus tempted, he is accepted as an immigrant, he receives £60 towards the cost of the £70 fare with block bookings, free transport inside the Republic to his place of employment, and free accommodation until employment has been found.

The fact is that there is no valid connection between the flow of immigrants to a country and that country's political and economic prospects. As late as 1956 Southern Rhodesia had a record year for immigrants—15,000 arrived to settle—and in 1962 there was a net outflow of 2,500. There is no doubt that the tens of thousands who went to Southern Rhodesia—and their numbers were much larger in relation to population than those South Africa is attracting at present—had been led to expect

the Federation's continued existence and prosperity; and they were wrong, not to say wronged.

There is also no doubt that, wrong or not, immigrants to South Africa are of the greatest importance to Dr Verwoerd's Government, whose appointment of a special Minister for Immigration, Mr A. E. Trollip, was conceived with care and efficiency. Apart from their political significance—each family has friends and relations in Europe now personally involved in the survival of a white Government in the Republic—they represent the key to possible future economic expansion in South Africa. The most potent bar to economic progress which the implementation of *apartheid* has produced is the bottleneck in skilled—almost by definition white—labour. Rapid economic progress has come to mean either a vast programme of immigration or the abandonment of the industrial colour bar. It is recognition of this fact which led the Nationalist Government to put into reverse its former policy of discouraging immigrants from Europe, as likely to be politically unfriendly to Afrikanerdom. Indeed, the promise to end Smuts's successful immigration policy formed a major plank in the Nationalist Party's election campaign in 1948. Even if the highest hopes are fulfilled this year, the number of immigrants will fall short of the 1948 record of 36,600.

Attraction for Investors

> In general the South African economy would appear to have succeeded during the first four months of 1963 in attaining simultaneously the much-desired objectives of reasonably full employment, rapid growth, balance of payments equilibrium, and price stability.

This conclusion, by the South African Reserve Bank's *Quarterly Bulletin of Statistics* of June 1963 summarizes the economic state of affairs as seen by most South African business men or overseas concerns with interests in the Republic. It is also an influential statement, in the sense that it will perpetuate, and possibly accelerate, the general business confidence which it expresses. It is a statement containing many parts, each of which is worth examining in greater detail.

First, however, two general features of the South African economy should be remarked and borne in mind. Unlike any other African State, South Africa has a highly developed industrial economy, capable of generating much, if not all, of its own capital, and having long since passed the 'take-off' point into self-sustaining growth. An important corollary is the fact that, while foreign capital is not vital to its growth, the economy is highly vulnerable to shifts in business confidence. In recent years the stimuli which have provoked these shifts in confidence—and hence, by acceleration, in investment, employment, and consumption—have been largely political. Unless, therefore, one can postulate a period of political tranquillity, one must expect periodic and significant ups and

downs in the country's economic activity. Thus the 1962–3 rise in personal incomes, reported as 5·7 per cent by the Minister of Finance in the Budget speech this year, does little more than restore the position to its 1959 levels. No one doubts that this three-year decline was the result of political uncertainties relating to Sharpeville and the withdrawal from the Commonwealth. What is unusual, and must be explained, is the fact that the recovery has been as good as it has, given continued internal unrest and international pressures.

The second remarkable feature of South Africa's economy is, of course, the relative invulnerability of her balance of payments position, owing to the vast expansion in gold output. The record output for 1962–3 worth £330 m. means that gold shipments now pay for some eight months' worth of imports. So that although merchandise exports in 1962–3 actually declined at the same time as imports rose considerably, there was a comfortable surplus in the balance of payments. The gap on trading account, together with a net capital outflow of £40 m., was financed by additional gold shipments. The gold and foreign-exchange reserves stood at £243·3 m. in June 1963: this is three times the figure to which they fell in 1960 after Sharpeville, and 50 per cent higher than the previous post-war record. In other words, as long as South Africa can profitably sell gold abroad and as long as capital outflows can be kept in reasonable limits by exchange controls, she has little to worry about in relation to her balance of payments—international boycotts apart, of course.

With these features in mind, it is worth returning to the Reserve Bank's statement quoted above. It claimed that the economy had achieved four objectives—'reasonably full employment, rapid growth, balance of payments equilibrium, and price stability'. Regarding the first, the statement clearly referred to the figures for registered unemployed. These indicate, as the Minister of Labour pointed out in Parliament in June, an unemployment figure of 1½ to 2 per cent, which is, indeed, 'reasonable'. However, there is a vast disparity between the figure for registered unemployed and the degree of unemployment indicated by census figures. The last census was taken in 1960. There follows a comparison between the two figures in that year, as quoted by Dr Frans Cronje, M.P., in the House of Assembly in June this year:

	(a) Registered unemployed	*(b) Unemployed according to census*	*(b) as percentage of working population*
Whites	13,000	41,000	3·6
Asians and Coloureds	13,800	166,000	18·0
Africans	33,000	334,000	8·5

Since 1960, the position has undoubtedly worsened, for Africans at least. Early in 1963, the Government's Froneman Commission reported that, apart from Africans from other territories, an estimated 505,000 Africans in the Republic were currently unemployed—about 14 per cent of the African working population. In Durban a University of Natal survey

concludes that 15,000 Indians, or 26 per cent of the working force, are unemployed.

But unemployment among non-whites is not necessarily a reflection of the state of European employment. While unskilled Indians cannot get jobs in Durban, the construction boom there has the industry working to capacity, with a registered shortage of 1,500 skilled (white) artisans. The imbalance between the demand for skilled and that for unskilled workers is a trend which has operated since the early 1950s; but its seriousness is intensified by the rigid industrial colour bar. Naturally it is reflected in the earnings each is able to command. Between 1947 and 1961 African earnings rose by 11 per cent: this means the average African took home £17·5 more in 1961 than in 1947. Over the same period European earnings rose by 35 per cent, giving the average European an addition of £257 per annum. In 1960–1 European employees in the construction and manufacturing industries earned an average of £969; the average African, £186. The ratio of African to European earnings is now below what it was in 1938. This imbalance cannot be ignored; and the Reserve Bank's omission of the facts in relation to unemployment among non-white unskilled workers is surely a good example of the illusions created, fostered, and passed on by the white South African authorities to prospective investors and immigrants.

What of the claim that 'rapid growth' has been achieved? In his address to the shareholders of the Reserve Bank in August 1963, the chairman, Dr M. H. de Kock, said that 1962–3 had 'recorded a marked acceleration of the tempo of economic expansion'. The gross national product had risen by 7½ per cent and personal incomes by 5·7 per cent; and there had been 'a significant increase in activity', compared with the previous years, in industries like building and motor construction. Manufacturing output had risen by 9 per cent overall and more in some industries, notably metal products, chemicals, and electrical machinery. Significant though these figures are, some comparisons should be made. Retail sales, for example, were only 3½ per cent higher in 1962 than in 1960. Gross private fixed investment rose in 1962 by only 1·6 per cent; and the rise in personal incomes did no more than restore 1959 levels.

Nonetheless, it is clear that the economy has moved into a higher gear, and this reflects a return of cautious business optimism. Two factors would seem to be mainly responsible. The first is intangible, unspoken, but probably very potent: an expectation that, sooner or later, the price of gold must rise. There is a widespread conviction that the world will be forced to increase its liquidity by raising the price of gold, and that only the timing is in doubt. Thus a period of relative political calm in the Republic encourages its business men to believe they may be still in a position to take advantage of the subsequent boom when it comes. Hence the importance of maintaining or establishing a foothold there.

The second factor is more obvious: namely, the increase in government expenditure, on defence, on the nationalized corporations, and on economic development. A thirty-year scheme was launched last year for harnessing 1,200 miles of the Orange river at a cost of £225 m. This year a £30 m. railway investment scheme has already made some sizeable contracts available. The three largest nationalized corporations—iron and steel, oil from coal, and electricity supply—have plans for spending £1,000 m. in long-term investment. These, together with the annually rising defence budget, are encouraging expectations of a rise in spending power and general economic activity. For its part, the Government channels its own expectations into newly established machinery for compiling an 'Economic Budget', or development plan, for finding and encouraging 'growth points' in the economy. Already local authorities have followed suit with plans for urban area development 50 per cent up on 1962.

So far, contrary to the Reserve Bank's claim, these plans have not produced overall rapid growth. Capital is available in far more substantial amounts than is being used. This reflects the very real conflict between immediate economic opportunity and political uncertainty. The problem of liquidity deeply concerns the authorities. Last year the Government adopted several expedients for draining off limited amounts of surplus funds. Commercial banks were permitted to invest limited amounts abroad; and individuals were allowed to buy South African securities held on overseas markets, and to sell them at home. Since prices abroad were, and remain, lower than they are in South Africa, profits were made, a percentage of which was taxed for the benefit of the Defence Equipment Fund. These two schemes, together with some relaxation of exchange restrictions for concerns operating abroad, accounted for most of the £50 m. capital outflow in 1962–3. The liquidity problem was not solved in this way, for it is a long-standing one. Between 1960 and 1962 bank deposits rose by £50 m. to £200 m., while advances remained static. One other measure taken this year was the passage of the Finance Act empowering the Government to borrow more than it actually needs, to mop up surplus capital. But there is no intention of lifting exchange or capital restrictions to allow liquid funds out of the country.

The Reserve Bank's third claim—the achievement of 'balance of payments equilibrium'—is valid, as has been pointed out, with the proviso that it depends upon the continuation of exchange and capital restrictions. In 1962–3 overseas investment worth £10 m. entered South Africa but was, of course, heavily outweighed by the £50 m. which was allowed to leave. An attempt to estimate how much would leave and how much would enter if restrictions were removed would be pure speculation: the fact is that the Government does not feel confident enough to make the experiment.

The Reserve Bank's final claim—'price stability'—may prove the most difficult to reconcile with the other objectives mentioned. While it is certainly true that prices have remained exceptionally stable over the past three years, a continuation of that condition, alongside rapid growth and *real* full employment, is not only difficult to imagine but virtually inconceivable. Every industrial economy faces the conflict between rapid growth and price stability: in South Africa an increasingly rigid industrial colour bar makes the problem virtually insoluble. A rate of growth which would reasonably fully employ South Africa's unskilled non-whites would provoke so urgent a demand for skilled white labour that price inflation would be inevitable. Already with considerable unemployment among Africans there is a shortfall of 1,500 bricklayers on the Rand alone, and wages of skilled artisans of all kinds are starting to rise. A similar situation has been remarked in Durban. Traditional barriers to non-whites' skills—lack of training facilities, lack of mobility, trade union exclusion—are giving way increasingly to the more intractable and rigid legal barriers contained in the 'Job Reservation' Act, and the control of movement by Africans. Apart from the general threat to internal price stability inherent in the creation of a rigid bottleneck in skills, the gold industry is notoriously vulnerable to price inflation, selling as it does at a fixed price. Referring to the dangers of raising the cost of skilled labour if the economy is to expand, the South African *Financial Mail* (2 August 1963) said: 'The kernel of the matter is this: we have a completely artificial economic society with conditions frankly and openly manipulated to protect white privilege.'

Dangerous dichotomy

Economists, as opposed to politicians, are notorious for their pessimism. But the recent chorus of alarm expressed by business men as well as economists cannot be ignored by the politicians. Indeed, the emphasis on immigrants is part of the political response. 'The real danger lies in doubts as to whether a low wage economy can ever be secure,' said Mr E. P. Bradlow, President of the Association of Chambers of Commerce, in July this year. The fears he expressed have profound political implications, but he was concerned with their economic causes. Higher African wages, he said, were essential; but on their own they could solve nothing, unless industry were allowed to develop. And this in turn was impossible because of the composition of the labour force, determined by Job Reservation, influx control, and the Bantustan policy. The effect of these policies was starkly expressed by Dr S. Cooppan of the Department of Natal in July: 'In South Africa there are two economic sectors, a highly developed one for the white population and an undeveloped sector for the non-whites.'

The dangerous implication of this dichotomy in the South African

economy is not being conveyed to overseas investors and immigrants. Their attention is focused on the economic indicators reflecting the highly developed 'white' sector of the economy. The dangers they anticipate are from internal uprising and overseas boycott, both of which they have apparently concluded can be either completely avoided or at least staved off for a long time.

Poland and Khrushchev's Russia

MARGARET MILLER

THE imprint of Stalin's economic policies—rapid industrialization at any cost, and the extraction from agriculture, by means of forced collectivization, of the necessary means to pay for it—is still deeply felt in the economy of Russia. Indeed, it was only last year, in his reports to the March and November meetings of his Central Committee, that Mr Khrushchev revealed the full extent of the distortions and inefficiencies these policies had left behind. Agriculture had been bled white, and the resulting stagnation in production was threatening the whole economic life of the country. Mr Khrushchev applied the threefold remedy of reorganizing the structure of agricultural management, radically changing farming methods, and directing greater investments into agriculture. Industry also stood in need of a massive 'spring-clean'. A whole torrent of complaints poured forth last November, from the Soviet leader himself and from high-ranking politicians and officials, about the crudities of planning techniques, the gross waste of State funds in wrongly directed and badly used investments, the chaotic price structure, and the overemphasis on quantity at the expense of quality. Here again, Mr Khrushchev's cure was an administrative reshuffle and a reinforcement of Party control. He recentralized the economy, but accompanied this by a new willingness to adopt Western economic techniques. Concepts like profits, rate of interest, consumers' sovereignty, managerial independence at local level, all previously under strong ideological disapproval, became respectable overnight.

Like other countries in the East European bloc, Poland's economy in the post-war years was modelled on that of Russia and she has gone

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through the same transformation from a predominantly agricultural country into a modern industrialized nation. To the traditional industries, such as coal and textiles, have been added new ones, for example chemicals, steel, machine-building, and the manufacture of rolling-stock, precision instruments, and medical equipment. Frontier changes under the Potsdam Agreement of 1945 have facilitated this process. Polish settlers moved from the eastern areas of the country ceded to Russia to the territories in the west acquired from Germany, and industrial successes scored in the latter region include the Turoszow fuel and power plant opened last year at Wroclaw (the former Breslau), described as the biggest Polish investment project in the current five-year plan. On the Baltic coastline gained by Poland, a thriving ship-building industry, now ranking as the tenth largest in the world, has been built up. Before the war only 38 per cent of Poland's population gained their living from non-agricultural pursuits; now the figure is 62 per cent.

Russian caution and Polish experiments

But the headlong pace of industrialization bore with intolerable harshness on a small and war-exhausted country, and the disproportionately large investments in heavy industry had to be abruptly cut back after the workers' riots in Poznan in 1956 reinforced the lesson of the Hungarian uprising. Against this background, Poland is now dealing with the same problems as Russia: how to improve planning and investment techniques, raise productivity of labour, rationalize the price structure, and release managerial initiative. There are significant variations in the methods adopted. Russia is proceeding with caution, strengthening centralized controls over the economy while at the same time trying to encourage local initiative. The two aims do not always harmonize, and when Mr Khrushchev addressed the industrialists of the Russian Federated Republic (the R.S.F.S.R., responsible for two-thirds of Russia's entire industrial production) in April of this year, he had to report disappointingly slow progress in carrying out the managerial and economic reforms adumbrated in November 1962. Old habits among planners and industrialists were dying hard.

Poland, on the other hand, is striking off the shackles of doctrine with much greater boldness. Early this year changes were announced in merchant shipping and in factories producing chemicals, goods for export, and precision instruments, all showing drastic departures from the old rigidities of centralized planning and the tyranny of 'quantity' production, as well as a real determination to increase incentives for labour and management. The merchant fleet was reorganized into four groups of enterprises, each with its own geographical sphere of operation, and with wide powers in such basic activities as dealing with clients, settling investment policy, and carrying out repairs. The managers of half a

dozen chemical factories were given similar autonomy in business operations and control of labour, with the expectation that this pilot scheme would, if successful, be extended to the whole of the chemical industry. A group of thirty-four factories specializing in the production of goods for export were specifically freed from the obligation to reach given quantitative totals of production, and from government controls over the numbers of workers they employed. They were to be judged solely on the amount they were able to sell abroad. A precision-instruments works in Warsaw was the first to adopt the criterion of profitability as opposed to quantity. Every increase in profits earned over an agreed level was to result in an automatic increase in the factory's wages fund, and consequently in the amount available for the payment of staff bonuses.

It is true that these experiments are on a small scale so far and in part have behind them the desperate urge to improve Poland's balance of payments position. But they go farther than anything that has been done as yet in Russia to implement the 'Kharkov system', the name given to the reforms in industrial management advocated by Professor Liberman of Kharkov University, which served as a 'curtain-raiser' to Mr Khrushchev's speech last November. (A new Russian law on the rights of directors and the functioning of industrial enterprises has been promised, but is not yet published.) In the likely event of the wider extension of the current reforms throughout Poland and possibly the other countries of the bloc, a degree of flexibility and freedom will be introduced into economic life, which will clear up some of the distortions inherited from Stalinist policies and soften the rigidities of centralized planning.

Attitudes to private enterprise

Private-enterprise activities proliferate in Poland as they do in Russia. In both countries, the gross deficiencies of the distribution system, the shortage of consumer goods, and the need among large sections of the population to augment inadequate incomes by taking on two jobs have encouraged the growth of small private traders and manufacturers, craftsmen, caterers, bakers, tailors, repairmen, plumbers, and the like. In Russia, all participants in this sector are condemned as 'speculators' and 'parasites', even when their operations do not include any element of dishonesty or criminal intent. The official Polish attitude is much more relaxed. The private entrepreneur has to work within State-imposed limits, get permits from the appropriate Ministry, belong to approved handicraft guilds or other State-organized bodies, and pay higher turnover taxes than comparable State-controlled establishments. On the other hand, he may be helped by tax concessions and the grant of premises, if he is working in some specially important sector, such as building repairs or tourist services. No cloud of doctrinal disapproval hangs over his work, and official opinion views with equanimity the possi-

bility of 8 per cent or more of the total non-agricultural labour force being employed in this sector of the economy.

Agricultural policies

It is in agriculture that the differences between Russian and Polish policies are most striking. Decollectivization is not contemplated in Russia, and the essential increases in agricultural production are to be obtained within the framework of the existing system. In Poland, decollectivization took place spontaneously as soon as official pressures on the peasants to join collective farms were eased at the end of 1956, and the restoration of full-scale collectivization is not a serious issue. At present such farms occupy less than 1 per cent of Poland's total arable land, and their number is tending to diminish. Another 12 per cent of the land is occupied by State farms (over 5,000 of them) which have so far operated at a loss. The remaining 87 per cent of the farm land is in the hands of private peasants.

It cannot be supposed that this state of affairs is welcome to Poland's communist rulers, either from the point of view of orthodox Marxist doctrine or of practical politics. Poland's farms are small, making it difficult to introduce advanced farming methods and thus increase output. The whole economy hangs on the unpredictable outcome of the harvest, entailing frustrations and uncertainties for the planners. This year, for example, and until the end of the current plan in 1965, the pace of industrial development has had to be drastically cut down because of the drop in agricultural production resulting from bad farming weather in 1962, aggravated by the economic dislocations resulting from the exceptionally severe winter of 1962–3.

Collectivization remains the ultimate official objective, but there is no sign that the Government will risk a showdown with the peasants by trying to re-enforce it. Poland is a small country. Unlike Russia, she has no millions of acres of 'virgin lands' which can be brought into cultivation. Her few remaining collective farms and her State farms do not produce anything like enough to bolster the shock of a renewed fall in agricultural output due to peasant resistance. Tact, patience, and persuasion are the only weapons that can be used without endangering the survival of the country.

At first the Government's main means of persuasion was to encourage the peasants to join agricultural 'circles', voluntary organizations that have been known in Poland for the last century. These bodies aim at raising productivity through increased mechanization and improved methods of cultivation, and in this they are helped by the government-controlled Agricultural Development Fund. The latter is financed partly by contributions from the State, which hands over the difference between compulsory delivery and free market prices; partly by the peasants

themselves who have to contribute something between 15 and 25 per cent of the cost of machinery; and partly from such income as the circles are able to earn, for example, from the successful administration of land from the State Land Fund.

In the last year or so, however, there have been signs of official disillusionment with the efficacy of agricultural circles in leading the peasants towards co-operative and more efficient farming methods. Even now only 20 per cent of the peasants belong to them, and they are not being effective in persuading their members to buy and use the tractors and farm machinery supplied by the Government. Other methods have therefore to be used. The lion's share of the increased investments being directed into agriculture is to go to the State farms. They are to get more land, more equipment, more trained workers, in the hope that in a few years their contribution to national output will be a much greater proportion of the total than it is at present, a contribution, moreover, that will be under the control of the Government. If successful, the policy may help to by-pass collectivization altogether.

Another problem to which urgent attention is being given is that of halting the fragmentation of farms. Poland is unique in Europe in that nearly 40 per cent of all farms are below 2 hectares (5 acres), and in the last decade the proportion of these small and dwarf holdings has actually been increasing. A law passed in June of this year aims at curbing this process by setting the minimum size of farms at 4 hectares, and altering the inheritance laws so as to prevent the break-up of farms and the passing of farm land into unqualified hands. Farms that become the property of non-farmers on the death of the owners will be taken over by the State. This follows a law passed last year under which the State authorities could expropriate farms which were being neglected. Their owners would be helped to put them back into workable order if this were feasible. But if, for reasons of health or age, the owner could no longer farm his land, it would be taken over by the State, and he would be given a pension.

In both Poland and Russia there is a crisis of incentives in agriculture, and a serious problem of maintaining a balance between the agricultural and industrial sectors of the economy. But the two countries are travelling widely dissimilar roads towards a solution. Poland's difficulty is to ensure that the standard of living of the peasant does not run too far ahead of that of the town-dweller, on whose shoulders the main burden of industrialization has fallen. The Polish Government buys part of the crop in the shape of State deliveries, and taxes the peasant through the land tax and the taxes on fertilizers and other essentials. After that the farmer is free to sell his produce for what he can get, and he prospers. The central planners cannot take more away from him without arousing fears and hostilities which might lead to a fall in output.

Poland has not been able to avoid the difficulties inherent in operating a large-scale State-controlled industry alongside a free, small-scale peasant agriculture. Russia has avoided this, but has yet to solve the problem of increasing incentives to the rank-and-file agricultural workers, whose standard of living is far below that of the townspeople (exactly the reverse of the Polish situation), while simultaneously increasing investments so as to secure the larger supplies of fertilizers, machinery, and trained workers needed to raise output and efficiency in agriculture nearer to the level attained in industry. Mr Khrushchev has not found it politically feasible to ease matters by cutting expenditure on heavy industry and defence.

Neither country is within sight of a solution but, taking the long view, it would seem that the Polish way may eventually prove to be closer to economic reality. The country's basic need is to raise home production of grain by an additional 3 or more million tons per annum, and thus eliminate the drain on precious hard-currency reserves caused by the large annual grain imports—2½ million tons in 1961—to feed the growing numbers of livestock. The peasant may produce the answer to this all the more quickly if he retains his present freedom to work in his own way and is well rewarded for his labours, however many short-term restrictions and frustrations this may impose on the planners and the urban population.

The Polish position in Comecon

Poland cannot, of course, be considered in the light of her relationship with the U.S.S.R. alone. She has to live with her European partners in the Council for Mutual Economic Assistance (Comecon)—Bulgaria, Czechoslovakia, East Germany, Hungary, and Rumania, together with Outer Mongolia who is also a member. The Poles have often been described as the pace-makers, the trail-blazers, the Westerners of Comecon, and there is much to support this view. In agriculture, the overwhelming predominance of free peasant producers in Poland is in strong contrast to the almost completely collectivized farms of her sister States. When this situation rouses jealousy and political strictures, Poland can point out that, apart from fluctuations due to the vagaries of the weather, her agricultural production does advance, her peasants are relatively prosperous, and the flow of foodstuffs to the towns is much more flexible and adequate than it is in the other countries of the bloc. Even official Soviet opinion has conceded that, in the case of Poland, the road to socialism need not necessarily involve collectivization.

Poland has always been ahead of her partners in initiating changes in industry, whether these were concerned with the decentralizing trends of 1957, the present approach to Western economic techniques, or the tolerance extended to private entrepreneurs. Polish industrial experience

is studied with obvious interest in learned journals in the U.S.S.R., and there is no doubt that the current Polish experiments in encouraging managerial initiative will be carefully followed and will strengthen the hands of Soviet economists, who have been pressing for reforms in the same direction for years past and with increasing insistence since the floodgates were opened last November.

Poland's trade with the West (40 per cent of her total trade) is a vital factor in her economy. This is not entirely welcome to the politicians. Prices for raw materials have been falling on world markets for some years, and, despite attempts at diversification, these remain a large proportion of Poland's exports. Trade with capitalist countries is necessarily less susceptible to planning than trade with the controlled economies of her Comecon allies. But the hard fact remains, and the Polish Government is, of course, aware of it, that only from the West can Poland obtain the up-to-date machinery and advanced technology which she must have for her planned development.

Religious and intellectual freedom

There is a high degree of religious and intellectual freedom in Poland. No less than 95 per cent of her population are devoted adherents of the Roman Catholic faith, and the Church, under the leadership of Cardinal Wyszynski, enjoys a liberty of speech and action unique in Eastern Europe. This involves continuous tension and conflict between Church and State, for communism, since it is based on atheism, is anathema to the former, while the latter resents what it considers the interference of the Church in secular matters, particularly education. But in the interests of national survival, the two powerful antagonists somehow contain their disagreements within tolerable limits. The same tensions exist between the Government and Poland's restless intellectuals. The demands for ideological orthodoxy, made at the Russian Central Committee meeting in June this year by Mr Ilyichev and Mr Khrushchev, were faithfully echoed later by Mr Gomulka and other Polish leaders at a meeting of the Polish Communist Party. An 'ideological commission' has been set up to supervise all aspects of Polish culture, and two of Warsaw's 'advanced' intellectual weeklies were suddenly closed down. But despite these and other periodic setbacks, intellectual activity in Poland is likely to remain at its outstandingly uninhibited level, for it is historically true that in spirit and outlook the Poles are essentially a Western people.

It would be profoundly erroneous to conclude from this brief review that Poland 'belongs' in the Western camp. Her ties with the West are vital and indispensable: but she is just as deeply embedded in the East. Like the other Comecon countries, her economy would collapse if supplies of Soviet oil, coal, iron ore, and other essential basic materials were cut off. For all these countries the Soviet Union provides their largest and

most stable market. Politically Poland is bound to the Russian alliance, which she sees as a necessary defence against the mortal danger of renewed German aggression. No view of Poland can be sound which ignores this truth, based as it is on terrible war-time losses—one in five of the population—and vast devastation of physical assets, cities, factories, mines, and forests.

East-West tug-of-war

Poland's position in Comecon is determined by this East–West tug-of-war in her national life. Along with East Germany and Czechoslovakia, she is vitally concerned to preserve her trading connections with the West. As a relative newcomer to the industrial scene, she shares the objections of Hungary, Rumania, and Bulgaria to any scheme drawn up for Comecon which would relegate them to the inferior role of producers of raw materials. Nevertheless the depths of her involvement in the Russian alliance require her to support the Khrushchev line, which aims at speeding up integration, co-ordination, division of labour, and specialization in the countries of the Soviet bloc, to reinforce their economic effectiveness in face of the growing challenge of West European integration in the European Economic Community.[1]

This is a matter of basic importance for Mr Khrushchev. He has gone on record many times as claiming that communism will beat capitalism in less than two decades from now as a means of producing material abundance for the masses. To substantiate this claim Russia and the countries in her orbit will have to prove that productivity of labour in their economies is higher than anything that can be achieved under capitalism, and this in turn depends on how quickly they can specialize and modernize their factories, mines, shipyards, and farms. Mr Khrushchev spelt out this thesis in frank detail during his visit to Yugoslavia in August 1963, when he made an outright suggestion that Yugoslav shipyards should consider the benefits of specializing in one or a few types of ships, in co-operation with the other socialist countries of Eastern Europe.

But he is finding it as hard to rationalize the economies of these countries as to introduce radical economic reforms within his own borders, and for similar reasons. National aspirations and rivalries, so long obliterated under the iron tyrannies of Hitler and Stalin, are beginning to reassert themselves. The individual countries show the same reluctance to sacrifice their 'own' interests for the good of the whole bloc as do the great economic regions of Russia to subordinate their 'own' plans to central direction. This problem of 'myestnichestvo' ('localism'), against which Mr Khrushchev has thundered so often within the Soviet Union, is based not only on local or national feeling, but on economics. Small

[1] See 'The Soviet bloc and the Common Market' by Alfred Zauberman, in *The World Today*, January 1963.

separate countries are even more unwilling than different regions within one State to base their plans on agreements with neighbours without a guarantee that these agreements can be enforced. They prefer to have supplies for key sectors of the economy under their own control, even if this entails wasteful duplication of effort from the strictly economic point of view. This same preference is at the basis of 'myestnichestvo' in Russia, where it has led to a widespread system of extra-plan activity—the securing of supplies by unofficial methods, the hoarding of essential materials, non-planned investment—which the industrial reformers are now finding it very hard to eradicate.

Co-operation is growing within the bloc. In fuel and power, the 'Druzhba' ('Friendship') pipeline is now carrying Soviet oil to the countries of Eastern Europe; the work of linking up their power systems was carried a step farther in the middle of 1962, when a central dispatching office was established in Prague to co-ordinate movements of power. Jointly financed research and technical centres, scientific research centres, and projecting and design offices have been built. Poland and Czechoslovakia are co-operating in tractor production, using capital and labour from both countries. In his speech at the opening of the Turoszow plant mentioned above, Mr Gomulka spoke of the help given in building it by the U.S.S.R., East Germany, and Czechoslovakia. The meeting of Comecon held in Moscow in July 1963 set up a new and high-powered Executive Committee at Ministerial level to push co-ordination forward more speedily. It also took steps to end the rigid system of bilateral trade in favour of more flexible multilateral arrangements, to be facilitated by the establishment of a clearing bank on the model of the former European Payments Union.

Despite all this, Comecon remains a loose association, and its members retain ultimate economic decisions in their own hands. Poland is credited with having worked with special earnestness towards the present compromise between the desire of Mr Khrushchev to have a supra-national body, which would raise the economic potential of the socialist bloc by enforcing a much more rapid rate of co-ordination and specialization, and the conflicting interests of the member countries which impede any immediate solution on these lines. It is very probable that this is so, for Poland today lives perforce in two antagonistic worlds and can preserve her existence only by being faithful to both. For her, compromise is not only intellectually desirable but is a *sine qua non* of survival.

Developments in Nepal

EUGENE B. MIHALY

DURING the 1962 battles of the Sino-Indian struggle for the Himalayas, Gurkha troops from the Kingdom of Nepal serving in the Indian army repeatedly bore the brunt of the Chinese offensive. Yet in Katmandu, the capital of the mountainous nation which shares long borders with both combatants, there was an air of unconcern. Casualty figures were ignored and the possibility of a Chinese attack on Nepal discounted. China and India, it was said, were involved in a territorial dispute; this was of no concern to Nepal.

Such detachment, remarkable in the face of Nepal's geographical position and indirect involvement in the conflict, cannot be entirely explained away as a dutiful reflection of State policy in a nation where contrary opinions are not tolerated. The feeling that Nepal is truly neutral between India and China goes deep; it is a consequence of a foreign policy which, in the short term at least, has been highly successful.

Neutrality is both a historic and a new role for Nepal. Until the mid-nineteenth century when China ceased to be a major Power in the Himalayas, Nepal maintained her independence by playing off China against Britain. In the latter half of the nineteenth and first half of the twentieth centuries, Nepal had no alternative but to accept extensive control from New Delhi over her foreign policy. With the renewal of Chinese power in Tibet in 1950, the way was open for a return to the traditional neutrality; King Mahendra, who ascended the throne in 1955, took this path.

To the consternation of India, he established diplomatic relations with China and in 1956 sent his Prime Minister, Tanka Prasad Acharaya, to Peking. This venture netted a $12 m. development grant and was followed by more visits and more aid. In 1961 a border agreement was signed, and by 1962 relations between China and the State she had recently considered a British protectorate had evolved so far that China offered to come to the aid of Nepal in the event of aggression. This move came at a moment when dissident Nepalese politicians were raiding Nepal from Indian territory, with at least passive support from India, in an attempt to overthrow the king's regime.

The Chinese offer was received in Katmandu with more consternation than relief. Nepal, it was realized, was not prepared economically or socially to make a decisive break with India. A new element had entered

Mr Mihaly, an American journalist engaged in research at the London School of Economics, recently spent six months in Nepal.

the picture since a Nepalese Government had attempted to follow a neutral policy in the early nineteenth century, namely, the increasingly heav economic dependence of Nepal on India. Today Nepal conducts mor than 95 per cent of her trade with India. She buys virtually all the manufactures she consumes, including all strategic materials and weapons a well as basic goods such as textiles, from India. Except for salt and mino amounts of primary products imported from Tibet, all commoditie which are not Indian-made must cross India in order to reach Nepal Most critical of the links which bind Nepal to India is employment. A majority of Nepal's 10 million people live in hill areas where arable land is severely limited. Demands of a booming population have driven an ever larger number of Nepalese to India to seek jobs, as the Nepalese economy offers few opportunities. A recent study by the American anthropologist John T. Hitchcock, found that the Nepalese hill economy was heavily reliant on funds brought in by seasonal work in India and service in foreign (Indian and British) armies.[1] Finally, the markets for Nepal's two most promising exports, hydro-electricity and timber, are in India.

These stark facts explain the continued presence of Nepalese in the Indian army despite constant complaints by Nepal's politicians that supplying mercenaries demeans the nation and harms efforts to be neutral. The nature of the relationship with India is at least a partial explanation of the continued presence of Indian troops in the army posts along the Tibet–Nepal border. Though the posts are commanded by Nepalese officers, all communications equipment in them is Indian-owned and operated, and is in contact with the Indian embassy in Katmandu rather than with Nepal army headquarters.

Reappraisal of Indian thinking

Nepalese neutralism thus must work within limitations imposed by economic necessity; these limitations are reinforced, moreover, by strong cultural, family, and religious ties of the ruling Hindu groups of Nepal with India. From these facts the Indian leadership deduced that Nepal is inescapably committed to India's fortunes. Mr Nehru once said '... no other country can have as intimate a relationship with Nepal as ours is. We would like every other country to appreciate the intimate geographical and cultural relationship that exists between India and Nepal.'[2] He added that there is no way to enter Nepal but through India. This remarkable inclination to ignore the Chinese (Tibetan) gateway and its potential effect on India's special relationship shaped Indian policy until the events of late 1962. India dismissed as basically inconsequential the relations between Nepal and China. Nepal, to summarize the prevailing view in

[1] John T. Hitchcock, 'A Nepalese Hill Village and Indian Employment', *Asian Survey*, Vol. 1, No. 9, November 1961.

[2] Speech in Lok Sabha, 6 December 1950. See J. Nehru, *India's Foreign Policy Selected Speeches, 1946–61* (Delhi, 1961), p. 435.

India, was carrying on a mild flirtation in order to attain greater leverage in dealings with India. When the Nepali Congress initiated its campaign of raids from Indian soil in early 1962, the Indian Government made no serious attempt to interfere. If Indo-Nepalese bonds were unbreakable, there was clearly little risk in giving at least passive support to a democratically oriented movement in its struggle against an absolutist regime, India's disapproval of which Mr Nehru had made explicit. But the Indian backing for the revolt had unexpected results. Nepalese, previously apathetic to the regime, now rallied behind the king as, frustrated by his failure to get Indian co-operation in halting the revolt, he looked increasingly to China for support. Warfare in the Himalayas forced a reappraisal of Indian thinking about Nepal. The result appears to have been an assessment that Nepal's drift towards China was serious and that, with her own frontiers directly threatened, India needed favourable relations with Nepal, regardless of what sort of Government was in power there. Under Indian pressure, the Nepali Congress called off its revolt, and India initiated diplomatic moves to improve relations. These met with some success, as indicated by the king's State visit to India in August 1963.

For King Mahendra, India's role in the Congress revolt seems to have acted as a new impetus to lead Nepal out of the special relationship. Previously the king had indicated the seriousness of his intention to broaden the scope of Nepal's political and economic connections, not only by accepting Chinese aid but also by agreeing to construction of the Nepalese segment of a Katmandu–Lhasa road. Work on the road had begun in 1957, but India succeeded in convincing previous Governments that the project should be allowed to languish. Current estimates call for its completion in 1966. The king initiated further moves to lessen his country's economic reliance on India. Agreements signed in December 1962 and February 1963 with Pakistan give Nepal use of facilities at the port of Chittagong in East Pakistan (until then Calcutta was Nepal's only outlet to the sea) and lay down procedures for barter in commodities now traded with India. An east–west road is under construction in southern Nepal which will end the previously unavoidable practice of shipping goods between points in Nepal through Indian territory.

These initiatives, and particularly the Lhasa road agreement, have brought down on the king charges that he is setting the stage for a communist and, subsequently, a Chinese take-over. King Mahendra summed up his refutation of this theory with the often quoted remark: 'Communism will not come by taxi'—arguing that communism will not come from the north and has no future in Nepal until it succeeds in India.

The communist movement in Nepal has demonstrated, however, that it can thrive without assistance either from the Indian party or from China. Though officially banned along with all political parties, it has

won local elections and gained control of a number of the so-called 'class organizations'—groups of peasants, students, and other occupations, organized by the regime. Today the communists are the strongest political force, apart from the king; yet, in 1959, in Nepal's first and only national election, the Communist Party won only 4 out of 109 seats in parliament.

Political instability

This striking improvement in the party's fortunes results from Nepal's thirteen years of political instability.[3] In 1951, the Rana family which had ruled Nepal for a century was forced out as the result of an armed revolt by the Nepali Congress. Like the Ranas, who had kept the monarchy intact but powerless, the Congress realized that the monarchy was the primary unifying factor in Nepalese political life. They therefore acted in the king's name with the aim of establishing a constitutional monarchy on the English model. King Tribhuvan, the present king's father, who had been virtually a prisoner under the Ranas, was installed as Head of State. Before the first election could be organized, however, bitter quarrels between the Congress's two leaders, B. P. Koirala and his half-brother M. P. Koirala, fragmented the party. As the politicians jockeyed for position, real power (primarily control over the army) inevitably gravitated into the hands of the king.

Between November 1951 and May 1959 Nepal had nine Governments, all appointed by the king; these included coalitions, party governments, and councils of advisers. Except for the first, none included members of the Nepali Congress, which remained by far the strongest party. The second largest party, the Gorkha Parishad, representing the former Rana rulers, was also kept out of office. Of the three parties which formed Governments during this period, the National Democratic Party disbanded before the 1959 election, the Praja Parishad took 3 seats out of 109, and the United Democratic Party 5 seats. T. P. Acharaya, leader of the PP, and K. I. Singh, leader of the UDP, both of whom served as Prime Ministers, were defeated in their own constituencies. The king may have chosen these small parties to form Governments precisely because they were weak. Whether this was done to discredit the so-called experiment in democracy or to avert the showdown that came not long after the election is a speculative point.

The Nepali Congress led by B. P. Koirala formed a Government in May 1959. Its programme resembled in concept the socialism of the Indian Congress; in the Nepalese context, this meant land and tax reform and the construction of public enterprises as well as encouragement of private enterprise. This programme differed only in details from the aims of the other parties, which were distinct more as groupings around political leaders than as representatives of large interest groups. In foreign

[3] See 'Political Progress in Nepal', in *The World Today*, June 1956.

policy, the Congress adopted a non-alignment posture similar to that of India and shared the Indian view that ultimately Indian and Nepalese interests coincided. This did not prevent the Prime Minister, B. P. Koirala, from advocating friendship with China and, in early 1960, he journeyed to Peking where he negotiated a $20 m. grant.

A clash between Koirala and the king was unavoidable; Nepal was in the unhappy position of having two rulers with conflicting aims and ideas. Koirala had expressed the belief that monarchy was an anachronism; he felt he had a popular mandate to modernize Nepal and on occasion acted without consulting the king, thus making it clear that he viewed the king as at most a titular figure. King Mahendra was in fact far more than this. Under the 1959 Constitution written under his direction before the election, the monarch had full powers to dissolve parliament at his discretion. With the army firmly behind him, there should have been no doubt that the balance was tipped in his favour. It was astonishing therefore that Koirala and his supporters were taken by surprise on 15 December 1960 when the king dissolved the Government and jailed Koirala and the core of his party. To India and the United States, both of which had financed the Nepali Congress, the king's move came as a setback. Mr Nehru, on 20 December 1960, dismissed as vague the king's charges that the Koirala Government had followed crude economic theories and a damaging foreign policy. He said 'This is a complete reversal of the democratic process. Naturally, one views such a development with considerable regret.' The United States, which shared this sentiment, expressed her disapproval through diplomatic channels.

Take-over by the king

Since the take-over, King Mahendra has assumed full powers. Though he has utilized a council of Ministers as an administrative device, the king makes all but minor decisions. As a result, the monarchy (which has religious significance) is liable to criticism for the first time; previously, the appointed Cabinets were the target for popular dissatisfaction.

The king has declared his commitment to instituting democracy in Nepal, but regards the country as not yet ready for a parliamentary system. He is therefore attempting to inaugurate what he terms '*panchayat* democracy'. Based on the Pakistani model, this calls for a four-tier system of *panchayats* or councils, the base being village and town councils elected by universal suffrage, with district, zone, and national *panchayats* each elected by the body immediately below it. All four tiers have been formed, with functions defined in the Constitution promulgated in December 1962. This document, strikingly similar to the 1948 Constitution written by the Ranas in an attempt to create the forms of democracy without surrendering any of the family's powers, extends limited authority to the village and town *panchayats*. But the *panchayats*'

primary function, as conceived by the regime, is to act as a channel for the exercise of the powers of the centre.

With the most active of its opposition in prison, the Communist Party has had a free field in elections for the village and town *panchayats*. Running as independents on platforms of welfare for their constituents, and ignoring national issues, Communist Party members and sympathizers won a majority of seats in the *panchayats* of Katmandu and another major town. The communists' success confronts the king with a dilemma; his domestic and foreign policies are potentially in conflict. Following the Chinese lead, the Nepalese communists are currently ardent supporters of the monarchy (except for an exiled wing of the party which backs the Nepali Congress). A crackdown on them would not only lose the regime valuable support at home, but would run the serious risk of alienating China with the possible outcome that she might end her policy of restraint and initiate a campaign of infiltration and subversion in Nepal. Inaction, however, could mean the spread of communist control over the only nation-wide political institutions.

Attempts to develop the economy

Whether this becomes a serious danger to the regime will depend on the interlocking factors of the attractiveness of the king's programme to the educated youth of Nepal and the state of the country's economy. To date, *panchayat* democracy has roused little enthusiasm among the politically conscious graduates. The explosiveness implicit in this stems from the lack of employment for the educated. Nepalese colleges are turning out an increasing number of graduates, but opportunities are little more than in the past. The civil service, which once absorbed most graduates, is being rationalized and therefore has fewer jobs to offer. The economy as a whole is growing no faster than the 1·5 per cent population increase and gives no indication of imminent improvement.

Attempts to develop the economy have faced tremendous obstacles. Political instability has crippled development. With survival always in the balance for both politicians and civil servants, whose appointments are made on political grounds, decisions are dangerous to make. The result is inaction. The state of the economy itself has been a brake on development. In 1951, Nepal was one of the world's most under-developed countries. A social and economic infrastructure was virtually nonexistent. The nation had no airfields, no roads outside the Katmandu area, communications were so primitive that letters took weeks to go a few hundred miles, literacy was roughly 2 per cent. *Per capita* income was estimated at a maximum of $45 per annum. And, perhaps most significant, Nepal, unlike the majority of new States, was not handed a trained civil service which could act as a nucleus for development efforts.

Since 1951, an increasing number of nations, international agencies,

and private organizations have been involved in attempts to influence the development of the kingdom's economy. These include the United States, India, China, Russia, Britain, Switzerland, Israel, Australia, New Zealand, Japan, Germany, France, various United Nations agencies, and the Ford Foundation. This plethora of aid programmes has had both positive and negative results.

Results of the aid programmes

On the positive side: the United States, now spending at the rate of $12 m. a year, has built roads, financed and managed an enormous expansion of the school system thereby raising the percentage of children in school from 1 to 12 per cent, donated a majority of the national airline's aircraft, built a telephone system for Katmandu, opened up new lands for cultivation, and constructed two saw mills. She has created and continues to finance technical departments in the Ministries of agriculture, communications, education, health, village development, and transport. A radio communications network, a number of footbridges to span Nepal's greatest internal barriers, her rivers, and an aerial cableway to carry freight into Katmandu are now being planned with U.S. aid.

India built the Katmandu airport and several other landing fields and constructed the road linking Katmandu with the Indian border. The Indian Aid Mission has carried out a number of projects in village development, education, agriculture, and forestry. With more than $4 m. available for expenditure each year, India is building an 18,000 kw. hydro-electric project and a forty-five-mile road to reach the site. She is also improving airfields and expanding irrigation facilities.

Russia is building a small hydro-electric project (2,200 kw.), a sugar mill, and a cigarette factory, at an aggregate cost of about $6 m. She has also donated a fifty-bed hospital for Katmandu and an aeroplane for the king's personal use. China is planning to build cement, paper, and tanning factories out of her yet unused grants of $28 m., and is also financing the Nepalese section of the Katmandu–Lhasa road.

A joint stock construction firm has been established by Israel; this gives Nepal her first firm able to handle large building projects. Switzerland has built four small cheese-making factories, and the cheese has become a successful export commodity. The Swiss aid programme has also set up Nepal's first machine-shop and established a large experimental farm in the mountains. Britain has built a road in southern Nepal and donated capital equipment. The other donors have given scholarships, technical advice, commodities, services, and funds for a wide number of projects.

Difficulties arise, however, from the great diversity of methods and working philosophies inherent in these many aid programmes. Nepal has no planning ministry capable of fitting foreign aid into her own plans, so that the Government has little choice but to let every donor operate as it

likes. The United States, after many often confusing changes in approach, now has determined that the Nepalese Government will learn best by assuming as much responsibility as possible. The U.S. mission therefore releases funds to the Government and restricts its staff to giving advice; though in fact U.S. advisers often are called on by the Nepalese to make operational decisions, this does result in Nepalese taking charge of American-financed projects. India, who has also changed her approach several times, prefers, when possible, to keep Indians in positions of direct authority. The Indian mission keeps a tighter control over funds by a mechanism known as a joint board; such boards have both Indian and Nepalese members and are in direct charge of projects. Funds are transferred to the boards when the director of the Indian Aid Mission can be satisfied that previous disbursements have been correctly and fully utilized.

The Russians use yet another approach. To forestall resentment, Nepalese are put in charge of Russian projects, but with so many Russian technicians advising and serving as immediate subordinates that actual authority is in Russian hands. The only funds Nepal handles are Nepali rupees generated from the sale of Russian commodities donated to pay the local costs of Russian projects. China has not yet indicated how she will administer her aid. Switzerland keeps full operational and fiscal control over her projects. Each of the other donors follows slightly different approaches in the utilization of its aid. For any Government, adapting its administration to keeping track of such a diversity of projects would be difficult; for Nepal, with her developing civil service, the task has been overwhelming.

Most unfortunate of the effects of aid has been its impact on efforts at reform. Aid has undermined attempts to achieve tax and land reforms, both of which are desperately needed, by making it seem possible to have development without reform. Because more foreign funds have been available than the Nepalese Government machinery has been able to handle, the urgency of generating new tax revenues has been dimmed. While tax rates, among the lowest in Asia, have risen imperceptibly, Nepal has been able to expand her development programme rapidly; in 1962, foreign funds accounted for 94 per cent of development expenditures. As development funds have until recently created jobs enough for the nation's graduates, foreign aid has enabled Nepal to postpone confronting the difficult political problem of raising taxes. By generally taking the pressure off the Government to institute changes which will affect employment and the economy as a whole, aid has had a similar effect on land and administrative reforms. Both are essential if sustained development is to occur.

In the context of expanding communist strength and of the increasing inability of the Government and the economy, even with aid, to absorb

the educated, who are today by far the politically most critical group, the delays in reform encouraged by aid could have consequences not foreseen or, in virtually all cases, not desired by the donors. Only China, whose influence a preponderance of the other donors (including Russia) seek to exclude with their aid, stands to gain from this possible outcome.

Japan's economic prospects

G. C. ALLEN

ECONOMISTS, like the rest of mankind, possess only a feeble capacity for prediction, and it would therefore seem wise, in speculating about the future, to start with a warning. Eight years ago, after a previous visit to Japan, the present writer attempted to appraise the economic situation and to probe into the future. The conclusions drawn at that time, though based on the facts of the existing situation, were doubtless to some extent influenced by the pessimism then prevailing among Japanese economists, civil servants, and business men. To quote from those conclusions:[1]

> Although there are many reasons for anxiety both in the long run and in the short run, the extreme pessimism about Japan's future which is entertained in some quarters does not seem to be warranted. . . The chief weakness is still in the export trade, but even there the outlook does not seem to be as bleak as is sometimes believed. . .
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> Few Japanese fully realize the significance of the contrast between the full employment enjoyed by Britain and other Western countries since the war and the chronic underemployment from which Japan and other Eastern countries have long suffered. It will be one of the major tasks of statesmanship to put these underemployed resources to fully productive work. This is not merely a question of financial policy. It is also a question of capital and of the most effective distribution of the available capital supplies.

This was the writer's view eight or nine years ago. He may then have entertained rather higher hopes of Japan's future than those held by most observers, but he certainly did not foresee the remarkable advance that

[1] 'The Present Economic Situation in Japan', in *International Affairs*, Vol. 31, No. 3, July 1955, p. 299.

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has taken place in recent years. The present article may equally reflect the current prevailing mood, a mood of very great confidence—in complete contrast to that of eight years ago.

Today many thoughtful Japanese admit that they have serious economic problems to solve but there are few who doubt that economic growth will continue at a high rate. Some of those economists who are close to the Prime Minister and to the centres of power are extremely optimistic about the future, and certainly at first sight their optimism appears well justified. One has only to think of the recent economic experience of the country: a rate of growth higher than anywhere else in the world, a buoyant export trade, a remarkably high rate of saving and investment, rapid technical advance. All this has been made possible by successful structural changes in the economy, with the result that Japan is now one of the leading producers of metals and of engineering products ranging from ships to electronic equipment. The Japanese have also been heartened by their success in dealing with recurrent balance of payments crises. These, which in some measure can be attributed to the rapid economic growth of the country, have responded readily to remedies imposed by the monetary authorities; and the danger of inflation has been kept well under control. The present optimism would therefore appear justified. It may well be, however, that a phase in economic development is coming to an end, that certain factors that have favoured growth in the past may not operate so vigorously in the immediate future, and that some of the problems that Western countries have been encountering in recent years may soon show themselves in Japan, if they have not done so already.

Changes in the labour situation

In considering some of these problems, let us start with a discussion of certain factors of major significance—those which have been largely responsible for the growth during the 1950s and early 1960s. First, manpower. One of the reasons for the rapid development of Japanese industries in the last ten years was the existence at the beginning of the period of rapid growth (say in 1954 or 1955) of very large supplies of underemployed labour in agriculture and in the small-scale sector of the economy, for which it was possible to find productive use. This was one of the chief tasks confronting Japan eight years ago, and she has accomplished it very successfully. A great amount of labour has been successfully transferred from relatively unproductive occupations to highly productive occupations. Furthermore, the availability of this surplus, or underemployed, labour in the small-scale sector of the economy, including agriculture, made it possible for the large-scale and rapidly growing industries to recruit the labour that they required without bidding-up wages. Japan was thus able to avoid what has been a major problem in Britain, where the rise of wages has been caused as much by

the competition of employers for labour as by pressure from the trade unions. In Japan during the 1950s the bidding-up of wages to attract labour into large-scale industry occurred only to a moderate extent, and the inflation of industrial cost was thus avoided.

Now the position has changed. Japan seems to be in sight of a manpower shortage. Agriculture can no longer provide as much surplus labour for industry as it did in the past. It is true that the agricultural population, though considerably diminished, is still large, nearly 30 per cent of the total labour force. But to some extent this is a statistical illusion, for over half of the average farm household's income now comes from non-agricultural pursuits, and the work on the farms is being done mainly by the middle-aged and the old, especially women.

The writer visited in recent months a medium-sized factory in Saitama prefecture which employed about 300 people and was making components for the motor industry. A third of the labour at this factory consisted of young men and women from local farms, who return to the farms every evening. They probably help their parents during the harvest and other busy times; but it is clear that these people will never take up agriculture as their main occupation.

The managers of the famous Toyota motor factory north of Nagoya—a concern which has developed enormously in recent years, and has swept the surrounding neighbourhood for labour—now consider that growth at that point has reached its limit and that further expansion must take place somewhere else. They are looking for new sites in parts of Japan where surplus labour is still available.

Recently the Government has put forward elaborate regional development plans, designed partly to relieve the congestion in the Tokyo neighbourhood and partly to encourage industries in areas of Japan where labour is still under-employed. It is now a question of choosing a number of growth-points, remote from the great industrial centres, in the hope that manpower will be made available there.

'Dual economy'

A symptom of the change is the lessening spread between wages in small or medium and large firms. A feature of the Japanese economic scene for many years has been the fact that wages in the small factories and workshops have been very much less than those in the large ones. This difference is diminishing. The small and medium firms in the past gave employment to the large surplus of labour that could not find jobs in the big firms, but now they have difficulty in recruiting labour at all. Wages have therefore risen much faster in that sector of industry during the last two years than in the large firms. To quote some relevant figures of recruitment: in 1957, very nearly three-quarters of those entering industry from middle-schools went into firms employing less than 100

people, and only about 10 per cent into firms employing 500 or more. In 1961 about 30 per cent went into large firms, and the proportion entering small firms was correspondingly reduced. This is an example of what has been happening in the field of labour. The 'dual economy' which was, and is still, such a prominent feature of Japan is likely to become less characteristic in the years to come.

This is, of course, a welcome sign of economic progress. It means that people are being transferred from less productive to more productive occupations, but the change may bring with it serious social as well as economic problems. If the supply of surplus labour declines, rapid industrial growth may well be accompanied by a tendency for wages to rise quite steeply, and the gap between the growth in productivity and the rise in wages—a gap which has been very wide in the last decade—may be narrowed. Cost problems may thus become more difficult to solve, especially for the less efficient sector of the economy which is largely composed of the smaller and medium-sized firms.

Effects on agriculture

In the second place, if small firms in industry and trade are hard pressed in an otherwise prosperous society, serious social stresses may appear, and these may well affect agriculture also. So far, agricultural output has been maintained and, indeed, considerably increased despite the labour shortage and the reduction in the number of people on the land. The success has been achieved by improvements in methods of cultivation, especially by mechanization. The extent to which, in the last few years, the small Japanese farmer has taken to machinery is quite remarkable. This has resulted in a considerable economy in labour, but machinery, especially the larger and more efficient machines, cannot be effectively employed on very small farms, because on such farms it is bound to lie idle for considerable periods. It has been calculated, indeed, that the ratio of capital investment to arable acreage is higher in Japan than in the United States. This is not a mark of superior efficiency, but simply the consequence of the fact that the agricultural machinery is used less economically on the small Japanese farms than on the large American ones. There have been attempts—successful attempts—to use machines and other devices co-operatively, but these co-operative ventures at present are comparatively few.

It has been concluded, therefore, that in order to cope with the manpower situation in agriculture and to provide for the effective use of capital equipment, big changes in land tenure are required. Farms must be thrown together, and the scale of agricultural operations greatly increased. It is interesting to observe that, although there has been a substantial fall in the number of persons engaged in agriculture in the last few years, so far the number of agricultural families and of agricultural hold-

ings has hardly changed at all. What is required, then, is to diminish the number of farms by consolidation, a process that may not be easy to apply to peasant agriculture. It is ironical that the land reform which was introduced by the Americans just after the war—land reform which turned tenants into peasant proprietors and confirmed them in the possession of their small-holdings—is now regarded as an obstacle to the solution of the agricultural problem.

Investment and savings

With regard to the question of investment and savings, the rate of capital investment has in the recent past been very high; this, of course, is one of the factors that has made Japanese economic growth possible. The high rate of investment has been attended by a very high rate of saving, not only institutional saving but personal saving too; this must be maintained if a high rate of investment is to continue without inflation. The high rate of saving can be attributed to several causes, a major factor being the Japanese tradition of austerity. The second cause is to be found in the wage system. The typical Japanese worker, and the typical salary earner also, gets only part of his salary in the form of monthly wages. The semi-annual bonuses that are paid by the large firms often amount to the equivalent of four or five months' wages. A worker who is getting, say, 25,000 yen a month may make an annual income of about 480,000 yen. It would seem quite likely—and this is a view which is held by many Japanese—that this method of wage-payment itself encourages saving, because the worker's consumption is attuned in these circumstances to the monthly salary or wage, and the bonus which is paid at midsummer and at New Year comes as a kind of windfall and is unlikely to be spent up to the limit. A third cause is the absence until recently of supplies of attractive consumers' capital goods.

These conditions now seem to be changing. Some of the most rapidly growing industries are now producing consumers' capital goods of a very attractive kind—refrigerators, television sets, not to mention motor-cars and motor-bicycles—and producers are sparing no pains to foster the sales of these goods in the home market. There is now a very heavy expenditure on the advertisement of this type of goods in Japan. This may well affect the propensity to save.

The nature of Japan's investment is also likely to change. During the last ten years a very high proportion of the total investment was in manufacturing industry. Investment in what is generally called the infrastructure—notably in roads and communications and housing—has been relatively small. In the next decade the Japanese are proposing to improve their infrastructure—as is indeed necessary—and to devote a considerable proportion of the new investment to that improvement. In the long run this will add greatly to the efficiency of the economy as well as to

social amenity. But this kind of investment does not yield its results as quickly as investment in industrial machinery. The combination of an increased propensity to consume together with a reduction in the rate of increase of investment in industrial plants may therefore possibly affect the rate of industrial growth during the next few years. On the other hand, it must be pointed out that some Japanese economists hold the view that the maintenance of an adequately large volume of effective demand throughout the economy will depend on the expansion of personal expenditure on consumers' capital goods during the present decade.

Technical research and liberalization of trade

Investment, of course, is bound up with technical advances. In the last decade Japan has, to a large extent, closed the gap in industrial technique that existed at the end of the war between foreign countries and her own economy. This has been done by the import of technical devices that have been worked out by foreign firms, usually by means of technical agreements between Japanese and foreign firms. It is interesting, if one looks at the annual increase in royalty payments from Japan to foreign countries, to note how sharply these have risen in the last five years. This process, no doubt, could be carried farther, but the Japanese now realize that, in the future, their country cannot rely entirely on foreign invention. Japan must devise her own innovations; indeed, to some extent she is doing so already. But it may not be so easy to maintain the previously high rate of technical advance in these circumstances. Japan is alive to this problem, and the Government is increasing very considerably the investment in industrial and scientific research. The proportion which this now bears to the national income is quite high.

It is not easy to make a comparison between the rates of investment in research in Japan and those in other countries. According to figures which the Government has provided, the ratio of expenditure on scientific and industrial research in Japan to the national income is at least as high as in Germany, though it is a good deal less than in Britain and the United States. It is doubtful, however, whether these comparisons are useful; for one thing, a great deal of British and American scientific and industrial research is in connection with strategic matters, and the Japanese are doing very little in that field. On the other hand, Japan's national income is much lower than that of the United Kingdom or the United States; the absolute amount which Japan spends upon scientific and industrial research is therefore very much lower than the comparative ratios suggest. The expenditure is by no means negligible, however, and it is clear that the Japanese Government, well aware of the urgency of the problem of continuous innovation, is intending to develop scientific and industrial research much further.

Another important matter is the liberalization of trade. Japan's export

development in the last decade has been affected adversely, though clearly it has not been prevented, by import restrictions imposed upon her goods by foreign Governments. But she, too, has limited competition from abroad in the home market by various devices, not only by tariffs but by quota restrictions, and she has encouraged exports by the equivalent of subsidies. However, Japan is now committed to the liberalization of her trade, that is to say, to the abolition of quantitative restrictions on imports, save in exceptional circumstances, and the abandonment of export subsidies. To a very large extent, the yen has already been freed. This liberalization is already taking place, but when it is finally achieved considerable changes may be necessary both in the general structure of Japanese industry and in the organization of particular trades, because industry has hitherto developed under the shelter of these restrictions.

Some industries will now no doubt benefit by the liberalization of world trade, for new markets will be opened to Japanese goods; but others may come under severe pressure. Those which the Japanese are most alarmed about are concerned with such products as heavy machinery, machine tools, motor-cars, and certain foodstuffs, especially foodstuffs of which the production has been growing most rapidly, notably dairy products. If markets in these goods inside Japan are thrown open to competition from abroad, the industries concerned may suffer, and if they are to hold their own, a good deal of reorganization will no doubt be necessary.

The scale of operation in some of the newer Japanese industries may well be too low to provide for economical production under modern circumstances. This is usually because of the insufficient specialization of plants. A case in point is the production of components for the motor industry, which has been one of the most rapidly growing industries. For example, in some of the chief factories producing electrical components for motor-cars an attempt is made to manufacture every electrical component that the car requires. This method of manufacture would be regarded as uneconomical in most Western countries. Is it possible to realize the full economies of scale in the absence of a higher degree of plant specialization than exists at present in Japan?

These deficiencies are recognized by many Japanese industrialists, but an obstacle to the rationalization required may lie in the nature of the existing business groups. The old Zaibatzu—the great business groups which before the war occupied such a prominent position in Japanese industry and finance—are well known. All of them had a wide range of interests, and they have been joined by other similarly constituted groups since the war. They are all keen rivals, and it appears that in recent years each group has aimed at securing what it regards as a fair share of every type of new product that has been introduced into Japan. This policy, as pursued by these powerful rival groups, led to the over-investment that

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characterized the boom of 1960. It is also one of the reasons for certain weaknesses in the organization of some industries, and especially for the absence of plant specialization.

Of course, this vigorous rivalry among the groups has its advantages. Undoubtedly it has prevented Japan from suffering, as Britain has suffered, from a propensity of business firms to get together and to agree about their prices and their output and their markets. Japan, at any rate, has been saved from what economists call oligopolistic stagnation. On the other hand, the rationalization, which will certainly be needed to accommodate Japanese industry to the new market conditions it will soon have to face, will not be easy to bring about unless the present relations among the different groups are modified.

The financial system

Finally, a word about the financial system, because here, too, there may be changes ahead. It is well known that in recent years a great deal of the new capital required for industrial growth has been provided by the commercial banks, which in turn have borrowed lavishly from the central bank. The process is known as the 'overloan policy'. There have been some advantages in this system of financing industrial expansion, because it has meant that, whenever the economy has become over-extended, the central bank has been able to exert effective pressure immediately by curtailing its loans. This has quickly forced down prices, and, ultimately, costs. However, the system is not without its disadvantages. For one thing, it has been very difficult for the central bank to control the extension of credit in the expanding phase of the trade cycle. Alternative methods of credit control are being sought, therefore, and the Bank of Japan is now considering the use of open-market operations and other measures similar to those employed by central banks in Western countries. There may be difficulties in introducing these changes because of the small supply of government securities in Japan, and for other technical reasons.

The type of monetary control that has been exercised in the past by the central bank may become less effective. The success that has hitherto attended that type of control has been bound up with the flexibility of wages and costs over a wide sector of Japanese industry. For the reasons mentioned above, this flexibility may be reduced in the future. Another factor in the success of the control may also disappear. Up to the present time, the stringent import controls have induced Japanese firms to work with very large stocks of materials, and investment in stocks is, of course, highly susceptible to financial restrictions. Now, if trade is freed, Japanese firms may decide that it is unnecessary to hold such large stocks, and, if they do, then the capacity of the central bank to exercise effective pressure may well be reduced. For financial reasons, therefore, Japan

may not find it as easy as in the past to deal with her balance of payments crises, and this may make the authorities more cautious in encouraging a very rapid rate of growth.

It may well be that the changes in Japan's economy referred to above may require her to modify some of her characteristic methods of industrial operation. For example, let us consider the 'life-long engagement' system and the seniority system of wage payment. If a young man gets a job in an industrial firm, then he is there for life; the obligation of providing permanent employment is accepted by the firm. The payment which he receives depends not so much on the job he is doing as on seniority and on other considerations that have only a slender connection with the value of his work. Employees in Japanese factories who are doing exactly the same sort of work receive very different wages. The wages are made up of a variety of payments, of which payment in respect of seniority is the most important item after the basic wage.

The 'lifelong engagement' system has been possible because of the existence in nearly every factory of a fringe of 'temporary' workers, people who are not considered to be established and who are taken on and dismissed at will. These are diminishing in numbers because of the tight labour situation. If the employer loses this cushion of 'temporary' workers, then he may be less inclined to give a lifelong engagement to the remainder of his labour force. Some employers are now calling this system in question. As to the seniority method of payment, this was associated with the plentiful supply of young recruits for Japanese industry in the past. But now the supply is declining and young people, conscious of their scarcity, are rebelling against the system. The practice does not yet seem to have been seriously affected, but it may be in the future.

There are several reasons, therefore, for believing that Japan is entering on a new phase of economic development, and the Japanese leaders are certainly conscious of the approach of novel problems. Japan may be expected to deal with them as successfully as she has handled even more difficult problems in the past. Of course, some of them will come upon her gradually, but the time may well be in sight when certain of the most familiar contrasts with Western economies will disappear, and, as the changes mentioned above gather strength, Japan is likely to meet with difficulties of choice in the field of social as well as of economic policy similar to those that have long perplexed most Western countries.

The origins of the Cuban revolution

HUGH THOMAS

THE Cuban revolution happened quite quickly; the transformation of society occurred between 1 January 1959 and the end of 1960. The revolution was also comparatively bloodless; though a figure of 20,000 often appears for the number killed by Batista between 1956 and 1958, the dead on both sides in the civil war may have been as few as 2,000.

Various explanations are current for what happened. There are those who maintain that the course of the revolution was dictated by the U.S. Government; had it not been for the mistakes of the State Department and the selfishness of U.S. business interests in Cuba, this theory goes, the Cuban revolution would have remained 'humanist', as Castro proclaimed it in May 1959. But though the American military mission, established between 1950 and 1959, had been comradely with Batista's generals, an embargo on further arms to Batista had been imposed in March 1958 after U.S. grant-in-aid weapons had been used for crushing the Cienfuegas rising of 1957. Afterwards some people in the U.S. Administration thought Castro a communist, others were less certain.

Castro visited Washington in April 1959 and refused an offer of aid. Thereafter Cuban jeers at, and then violent criticisms of, the United States began. The U.S. Administration was quite correct, however, if unimaginative. For a little over a year the U.S. provocations offered to Castro appear only to have been three: the press criticized the trials of Batista 'war criminals'; the Senate Internal Security sub-committee hauled before them the defecting chief of Castro's air force, who announced that Cuba was being taken over by communists; and the Florida authorities allowed both this man and others to fly backwards and forwards to Cuba, sometimes dropping pamphlets, at other times weapons. These incidents must have been irritating to the revolutionary leaders in Cuba, and they must have played into the hands of those who wished to drag the revolution into a more extreme path. It must also have been irritating that the official U.S. reaction to the revolution was not one of exuberance, but rather of studied patience. But it is hard to believe these happenings were the single cause of the startling events of the revolution's first year.

The present Cuban explanation of events is that Cuba, previously a

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semi-colonialist society, was so severely exploited by U.S. and Cuban capitalists that the condition of the working class eventually became intolerable, the tension being especially sharpened under the tyrant Batista (1952–8); Castro's 26th of July Movement and the Communist Party therefore formed the *élite* which led the masses towards a coherent realization of their misery and the country towards the 'objective conditions' for revolution. Yet this explanation is also inadequate. Cuba, although a poor country in many respects, was certainly among the richer countries of Latin America. *Per capita* income reached a figure of $341 at its highest level in 1947. The average daily salary about the same time for the best-paid sugar worker was $3.25, which probably would have given him an annual wage (with a six-day week for the five-month sugar harvest) of nearly $500. This is a small wage, but in many countries in Latin America it would be considered high. Wages apart, however, the general availability of consumer goods, the social services per head, the labour laws, the communications system, literacy rates, all normal criteria indicate that Cuba was among the leading nations of Latin America—to be ranked in terms of development below only Argentina and Uruguay, and perhaps on a level with Chile. Certainly, Cuba had had for two generations before the revolution the highest standard of living of any tropical area in the world. It does not therefore seem to be poverty, any more than North American foolishness, that caused the revolution to take the turn it did.

The difficulty of explaining what happened in Cuba in Marxist terms has led some people to another extreme: they have seen the whole series of events as dictated by the whims of one man. The trouble with this argument is that it really credits Castro with greater powers than any man can singly possess. Instead of describing a monster, this argument creates a god.

The origins of the revolution seem more likely to be found in the fact that Cuban society was not so much under-developed as stagnant: semi-developed perhaps, with some of the characteristics of advanced countries when they enter decline. Cuba was not a country in the depths of poverty, but one extraordinarily frustrated, where opportunities existed for economic and social progress but where these were wasted—and the fact of the waste was evident. The undoubted advances whetted the imagination of the working class, but did not satisfy it. The case of the well-paid sugar worker symbolizes the situation; getting $3.25 a day for the five months of the harvest, afterwards he could expect to earn nothing. Unused to saving, and perhaps incapable of doing so since he had to pay off debts incurred during the previous dead season, his life collapsed. For half the year he was comparatively well off, able to choose between a quite wide selection of consumer goods; for the rest of the year he lived in resentment, possibly more extreme than if he had been unemployed all the

time, as a large fraction (around one-fifth) of his colleagues in the trade were. About 500,000 persons were in this frustrating position, nearly one-third of the total labour force of about 1·7 million. Nearly all of them were in debt throughout their lives—being disposed for that reason alone to hope for a violent upturn in society, which might declare a moratorium on, or even an annulment of, debts.

State of the sugar industry

The key to Cuban society before the revolution is, in fact, the sugar industry. Sugar-cane is grown quite easily and is therefore an obviously economical source of income for landowners. The cane is cut, hauled, in Cuba's case, to the 160 or so mills—a sort of rural factory—and grinding begins about 1 January every year. The period of activity lasts for about five to six months. From about the start of the first World War up to 1959, Cuba was the world's largest sugar producer, and she is still far the largest exporter of sugar. However, she was, as a producer, overtaken by the Soviet Union in 1959, and sugar production elsewhere has been rapidly catching up. For example, in the three years immediately after the first World War, Cuba produced 24, 24, and 23 per cent of the world's sugar. In 1946, 1947, and 1948, after a heavy dip during the depression, the percentages were still 18, 21, and 21. In 1956, 1957, and 1958, the figures were 11, 13, and 12 per cent. The reasons for this decline were chiefly new and cheaper methods of production in many countries, especially the United States, Western Europe, the U.S.S.R., and India. In the 1950s countries which had never thought of growing sugar before began to do so.

In addition to being the world's largest producer of sugar, Cuba was, for about a century, the major single source of sugar for the United States, and for a time after the Civil War her sole source of sugar. For most of this century up to 1960, Cuba supplied between 40 and 60 per cent of U.S. sugar, with a drop towards 30 per cent and for a time 25 per cent during the 1930s depression. After this unstable period, Cuba secured a part of the U.S. market by a specific quota, allocated annually according to the U.S. Secretary for Agriculture's estimate of U.S. sugar needs. For example, if in the 1950s U.S. domestic producers of sugar-cane and beet produced about 1½ million tons, Hawaii and Puerto Rico might be expected to produce about another million each, the Philippines 500,000, and Cuba 3½ million. In addition if one of these countries fell short of its quota, the deficit would be divided, Cuba sharing in it: in consequence, Cuba's market for sugar could depend partly on conditions in the Philippines. The quota was a great advantage but also a great bondage, and therefore there is a certain logic in the Cuban Revolutionary Government's criticism of its existence in early 1960 and denunciation of its disappearance in August of the same year. The tragedy of the Cuban sugar industry in the years before the revolution is that it was

hard to see how, even with the most effective methods of production, it could expand its share of the world market, or its own production. Both U.S. and world markets were quota-controlled and tariff-protected to the point where expansion was almost forbidden.

One should note, however, that a large percentage of Cuban sugar mills were in fact U.S.-owned. In 1939, this was true of sixty-eight mills out of 158, and these were responsible for 55 per cent of the production; only fifty-six mills were Cuban (the balance being part Spanish, Canadian, British, Dutch, and French). In 1958 there were thirty-six U.S.-owned mills against 121 Cuban, with the U.S. mills producing only 37 per cent of the total. This increasing Cubanization of mill-owning was hardly to be regarded as a victory for nationalism, however, but rather as a recognition that Cuban sugar was no longer such a good investment. U.S. total investment in Cuba in 1958 was about $900 m., considerably less in real terms than the figure for 1930. Of course, it was natural for Cubans to denounce the high percentage of foreign ownership, throughout this long period, of the staple product of the country, especially when other sections of the commanding heights of industry were also U.S.-owned; these included almost all public utilities in Havana, railways, and banks, which had been largely U.S.- and Canadian-owned since the bank crash in the 1920s. However, there were some advantages in this: foreign ownership could help to keep the door open to new ideas in technology and research; some of the best schools in Cuba seem to have been run by Americans, some being financed as a public obligation, others privately; American firms were also probably less given to tax evasion than Cuban. The overall effect of U.S. ownership of such prosperity as there was in Cuba was that the Americans could not avoid being blamed when things went wrong with the economy; and the economy had been in crisis for as long as anyone could remember.

In fact, Cuban sugar before the revolution was going through the classic experience of a great industry in decline. Cuban sugar-growers never sought to make the best use of their ground, the yield per acre, for instance, being far below that of Puerto Rico or Hawaii. Irrigation was not only rare but not apparently even planned, though it was obvious that it gave a higher yield. There was very little research as to the type of cane best suited for Cuban conditions: the agricultural research centre at Sagua la Grande was hardly able to carry on, since even the meagre earmarked funds often 'disappeared' before they got there.

Further, the industry was hamstrung by bureaucratic control. The opening of grinding each year was announced by presidential decree. The Sugar Stabilization Institute estimated the crop to be harvested and divided it among the different markets—the U.S. quota, the world market, domestic consumption, the special reserve. The sugar output of each mill, according to grinding capacity, was also divided among these

four markets. On top of this, there were governmental regulations for freight rates, size of bags, port of shipment, official average price for settling with non-mill growers of cane, and so on. An elaborate pattern of control which almost anticipated nationalization had thus been set up.

Despite the disarray, however, sugar continued to dominate the economy. It did so to such an extent that it seemed as though every financial commitment made in Cuba—no matter how well the risk appeared to be spread—depended in fact on the fate of sugar. The whole economy fluctuated to the rhythm of the sugar harvest. Two-thirds of the annual pay-rolls for even tobacco workers (whose job was year-round) was paid during the six months of the harvest; manufacturers, even manufacturers of shoes, found that the only economic period for sales was in the sugar harvest; 80 per cent of the tonnage on, and over 50 per cent of the revenues from, the *public* railways arose from the hauling of cane, and the mills themselves operated a railway mileage almost double that of the public railways.

The country was also at the mercy of world sugar demand. Changes of a percentage of a cent in the world market price of sugar not only meant the creation or ruin of fortunes in Cuba, but also indicated whether ordinary life was intolerable or acceptable. Assuming exports of 3 million tons, a 1 cent variation up or down in the price of sugar could make a difference of $60 m. in Cuban receipts; and world market prices of sugar have varied extraordinarily. Between 1920 and 1958, Cuban production reached an approximate total of 4 million tons eight times: the value got for this amount varied between $1,000 m. and $200 m. Cuba was in fact a kind of litmus paper on which every world depression, war, or crisis would inevitably be marked. For example, in 1950 under the impact of post-Korean rearmament, the whole of Cuba's molasses from the 1951 harvest was sold at 20 cents a gallon, instead of 5 cents a gallon a year earlier. It was unlikely, therefore, that Cuban investors could be expected to back enterprises which, though helping perhaps to diversify agriculture, could not possibly be so rewarding as sugar, and whose whole success or failure in Cuba would in fact anyway be determined by sugar. Large landowners were already concerned with sugar: the cultivation of other crops was thus left to those with the most difficult capital problems. What technological knowledge there was in Cuba was primarily vested in the sugar industry. For the eager investor, assuming that he wanted to invest in Cuba rather than in New York, there were very few stocks; most were family businesses, where outsiders even with money were not wanted. There was, as a result, extraordinarily high liquidity in the country, the banks in 1950 having 58 per cent coverage of their accounts.

Credit was almost impossible to obtain unless the proposed project was in some way connected with sugar, yet investment in new industries (perhaps making use of sugar by-products) and diversification of

agriculture were the only way forward. This blockage could be observed throughout the economy. Education, health, social services of all kinds, public services, commerce, departments of agriculture other than sugar, trade unions, all gave the impression of being not only incapable of development, but also afraid of it. The Cuban educational system had deteriorated between 1925 and 1959. A smaller proportion of school-age children were enrolled in Cuban schools in 1950 than in 1925, and the loss of pupils between the first and eighth grades, during the course of education, was considerably higher in 1950 than in 1925. The number of hours' instruction had even been cut. There was a disproportionate increase of private-school enrolment—which inevitably intensified social class differences. The illiteracy rate actually rose between 1931 and 1953.

The continued failure, not simply of the Batista Government, but of the preceding Governments of the Authentic Revolutionary Party, to take action when in fact it was government alone which could create the climate for economic change naturally created disillusion. By 1950 it was evident that another period of post-war prosperity was about to end, with no advantage having been taken of the relative prosperity to 'do something' about the economy. What precisely had to be done was unclear. Diversification of agriculture was a phrase which had been on everyone's lips for decades. A World Bank Mission prophesied in 1950 that unless the vicious hold sugar had on the economy was broken 'all efforts at economic betterment will be severely handicapped... Cubans of all classes will suffer by lower incomes and perhaps even by internal dangers to their cherished political freedoms.' In the latter days of the Prío Government, that is, 1950–2, there was a widespread feeling of urgency and of hope. The emergence of the *Ortodoxo* Party, which promised a new economic deal as well as freedom from corruption, was a sign of this. The founding of the Central Bank, which from the start was a model of honest administration, was another sign. It was this mood of positive hope that Batista thwarted by his second *coup d'état* of 1952. And the ease with which Prío, the previous President, and his *auténtico* followers gave way without fighting seemed perhaps most disillusioning of all. It was not that Batista was, or was thought to be, a specially cruel dictator from his previous record of power: personally he appears to have been popular with ordinary Cubans. The sin of Batista was to thwart the high hopes of a new generation by a return, or rather a continuance, of a cynical and short-sighted regime.

Other Latin American economies were, and are, as unstable and as unbalanced as that of Cuba: and the central cause of the trouble, the monocrop, appears elsewhere. At the same time, none of the countries whose economies are to a lesser or greater extent monocultures actually depend on sugar, whose price has always been highly volatile.

There were, however, other factors which caused the Cuban neurosis

to be articulated eventually in the most extreme way: these were political and institutional. The institutions of Cuba in 1958–9 were amazingly weak. The large middle and upper class had failed to create any effective defence against the demands of what may be taken to be the majority, when those demands came at last to be clearly expressed, as they did in January 1959, by a group self-confessedly middle class in origin.

Weakness of the traditional conservative forces

Perhaps the first and strongest factor working in favour of the revolution was the absence of any regionally based obstacles. Cuba is a small country with a traditionally centralized administration. There is no problem of an Indian population and though the Negro and mulatto minority (perhaps 30 per cent) is most numerous in Oriente there are large Negro and mulatto minorities elsewhere. In the early years of the Republic there did seem a possibility that the local bosses found elsewhere in Latin America would emerge to withstand the carrying out of legislation: President Gómez was, for instance, undoubtedly the political boss of Santa Clara. But these bosses did not develop as politically important after the 1920s. A possible reason for this was the survival, even among the violent disputes of the early days of the Republic, of a general sense of Cuban identity forged during the generations of struggle against Spain—after all, no Spanish colony took so long to become independent as Cuba. Possibly the central highway, constructed in the late 1920s, played a part in making it easy for potential local chiefs to get fast to Havana, where so much patronage and cash could be got so easily—and thence on to Miami and the Florida real estate agencies. The proximity to America, the degree of U.S. interest and investment in Cuba, was perhaps another factor limiting regional feeling. And, in January 1959, the 26th of July Movement was the effective boss of the most likely rebellious area, Oriente.

To the absence of a regional restraining force was added the weakness of two other traditional conservative forces—the Church and the regular army. The Cuban Church has never really found an identity. Churches are few in Cuba. The Church played no part in the development of the Cuban spirit of independence, which instead was nurtured by freemasonry and rationalism. Few priests before 1898 were Cuban born, and even after 1900 the majority continued to come from Spain. Church and State had been separated in the Constitution of 1901, State subsidies also disappearing. Later on, the Church made something of a comeback, a large number of Catholic schools being founded in the 1930s; in 1946 a Catholic university was also founded. In the 1950s this educational emphasis led to the appearance of a number of almost radical Catholic groups which opposed Batista. In Oriente there was, in the early stages, some degree of relationship between the 26th of July Movement and the

Church—chiefly since it was widely known that the intervention of the Archbishop of Santiago had helped to save Castro's life after the Moncada attack in 1953. The leading Catholic and conservative newspaper the *Diario de la Marina* was, on the other hand, among the first to suggest that the 26th of July Movement was communist.

After Castro got to power, the Church made no serious move to gather middle-class opposition, and it was only in 1960, when it was too late, that a series of sporadic pastoral letters appeared denouncing communism. All church schools and convents were closed by the end of 1961, and most foreign priests and secular clergy (i.e. the majority) were expelled. Since then there has been a surprising calm in the relations between Church and State, presumably by mutual consent; the Church in Cuba has, in short, never been a serious factor in the situation.

The regular army, the second traditional opponent of revolutionary regimes, was even less of an obstacle. By early 1959 it had in fact ceased to exist—not simply due to its demoralization in 1957 and 1958, when fighting Castro in the Sierra, but also to the repeated divisions which had weakened its *esprit de corps* during preceding years. Founded officially in 1909, the Cuban army derived its first leaders from the amateur generals of the war of independence. From the start it was political—all the first officers being Gómez liberals, later replaced by Menocalistas etc. By the early 1930s an officer corps of a kind had emerged, paradoxically from among those opposing President Machado and his Chief of Staff, General Herrera. Nevertheless, even they found the amateur spirit difficult to combat. Few people took the army seriously, for most Cubans, remarked Adam y Silva, an officer at this time, think that they themselves can do anything provided they possess a rifle and a *machete*. It was this new professional group who provided the *coup de grâce* to Machado in August 1933, but their morale was not high. Within a month, the entire officer corps had given way before their own NCOs led by Batista, a collapse perhaps made easier by the fact that, even before the 'sergeants' revolt', 56 per cent of the officers had previously risen from the ranks. However that may be, probably not more than six officers survived as officers; thereafter, till 1944, the army was led by the ex-NCOs of 1933.

Afterwards, once again, in the administrations of Grau and Prío, a new non-political officer corps began to emerge. But, by basing itself essentially on the Constitution of 1940, this group could hardly avoid taking a political stand sooner or later. By 1951, the '*puros*', as the more dedicated of them began to be known, were found associated with the *Ortodoxo* Party. President Prío seems to have feared a *coup* by them more than one by Batista and his old cronies of 1933. After Batista's *coup*, the *puros* passed automatically into opposition, some still in the army, others outside. There was conspiracy upon conspiracy; hundreds of officers were arrested; by 1959 most *puros* were either unconnected with the army or

(temporary) backers of Castro. The Batista officers, some being men made by him between 1933 and 1944, others being new recruits of the old character, dominated the army. When Castro came to power, he caused an immediate purge. Batista and the top group had fled, but many middle-rank officers were captured and tried for war crimes. Several hundred were shot, several hundred more condemned to imprisonment. Officers fortunate enough not to be tried were nearly all dismissed—though a few, with proved pro-rebel sympathies, were taken into the new service. All 25,000 or so of the rank and file in Batista's army seem also to have been purged.

In 1959 therefore there was no army in existence other than the rebel army. It was with its officers that Castro was to have some of his greatest trouble, but they were unable at any time to bring themselves to make a real stand. They had fought to bring Castro to power, and their whole careers depended on him. They wanted a revolution, just as he did, and they found it hard to define where they differed from him. Huber Matos, military governor of Camagüey, declared himself in October 1959 an anti-communist, and his officers stood by him; but he merely resigned, he did not, could not perhaps, take action. As for the remains of the *puros*, their leaders, such as Barquín, were sent abroad as military attachés; they too were later to resign, but not to act. The rebel army meantime was rapidly transformed under its new commander, Raúl Castro, into a new but, as in the past, primarily political force—this time a communist one—which never sank below 30,000 men. Within two years it was in fact transformed into an *élite* professional group which dominated a far larger part-time militia one.

Weakness of the trade unions and the civil service

The trade unions also could offer no serious opposition to the revolution; yet the revolution destroyed them, or anyway converted them into departments of the Ministry of Labour. Cuban labour began to be effectively organized under the shadow of the depression and the Machado dictatorship. Batista enabled the communists to form and dominate a congress of unions in the late 1930s—in return for communist electoral support for himself. Between 1938 and 1947 the unions were, if not structurally, at least in effect a section of the Ministry of Labour. The rather cynical alliance of Batista and the communists (till 1944) was responsible for some enlightened labour legislation: a minimum wage; minimum vacation of one month; forty-four-hour week and forty-eight-hour-week pay; nine days of annual sick leave; security of tenure except on proof of one of fourteen specific causes for dismissal, and so on—all admirable measures in themselves, enshrined in the 1940 Constitution, and all in effect till 1959. These measures were in fact so favourable to labour in the late 1940s and early 1950s as undeniably to hinder the

economic development of Cuba; labour opposition to mechanization, for example, seems to have been a serious handicap. The general impression to be gained from the labour scene just before Batista's second *coup* was less that of solid benefits won by a progressive working class than of a number of isolated redoubts, held with great difficulty and with continuous casualties, in a predominantly hostile territory.

However, on to the essentially fossilized condition of labour was imposed, from the mid-1940s onwards, a struggle for control between the communists and the *auténticos* led by Eusebio Mujal, himself an ex-communist. From 1944 on, Mujal had the overt support of the Government of Grau San Martín. Grau's Minister of Labour, Carlos Prío, and Mujal finally secured the communist defeat, at what was both internally and internationally the most favourable point in 1947—their methods being a mixture of political skill, bribery, and gangsterism. Thereafter from 1947 till 1958 Mujal was the boss of Cuba's unions. It made almost no difference to him when Prío was overthrown by Batista in 1952: had Prío made a fight of it, Mujal might have backed him; he did not and Mujal reached a 'non-political' deal with Batista. From then till 1958 the unions were much as they had been during Batista's first administration, with the difference that the leaders were not communists but ex-*auténticos*. Gangsterism and bribery remained an essential characteristic of union activity. Associated with Batista as being responsible for the regime's ability to survive, Mujal shared his fate—a prosperous exile.

Cuban labour remained organized in early 1959 in a surprisingly similar way to that in late 1958, but largely bereft of leaders. Mujal's successor, David Salvador, Secretary-General of what now became the Revolutionary Confederation of Cuban Labour, had been a leader of the Havana underground in the struggle against Batista. He was not a communist, and nor were the majority of the 3,800 victors in the trade union elections of May 1959. But by the time of the CTC Congress in December, most communist leaders of the past had reappeared. Although overt communists were kept off the executive committee of the CTC, fellow-travellers got on—fellow-travellers who were primarily opportunists, whose motives can only be guessed at, but some of whom certainly seemed willing to collaborate with any Government, Batistiano or Castroist. Conrado Bécquer, the sugar workers' Secretary-General, has much the same position today as he had in the early 1950s. The explanation must be that the idea of a free trade union, separate not only from the employer but also from the Government, had not existed since 1939 or even before. By Cuban standards, a trade union official is a government official, come what may. Bécquer could well be Secretary-General of the sugar workers under Miro Cardona or Manuel Ray.

It was equally hopeless to expect the civil service to be a restraining factor in the revolution, although, with nearly 200,000 employees, it

was the second largest source of employment, ranking after the sugar workers. Despite the passage of numerous laws, starting in 1908 under the Magoon administration, no Government was able to depend on a reliable civil service. With the exception of the National Bank, during the short period from its inception in 1949 to the Batista *coup*, all departments of state were regarded as the legitimate spoils of political victors. Of course, in this Cuba was no different from other countries. But in few countries of a comparable degree of wealth was the absence of an administrative career in government so conspicuous. In some Ministries, employees never seem to have appeared except to collect pay; the absence of responsibility was possibly most marked in the Ministry of Education. Also, since the salary scale was low, there was every incentive for employees of all grades to dip their hands in the government till, as their political masters did. Since governmental and non-governmental pension funds, which were lodged with the Treasury, had been used by the Grau Government to help pay other lavish but unspecified government expenses, it was very difficult after 1947 to allow any employee to retire. Many people thought that in fact 30,000–40,000 government employees were really pensioners. Thus government employment was a kind of social assistance.

The scandal of the old bureaucracy is certainly a reason why, after the victory of the 26th of July Movement in 1959, the idea of a total break with the past seemed so attractive. The word government had been debased for so long: not only the old bureaucracy but the old political parties were widely and with justice regarded as organizations for the private distribution of public funds. Who in 1959, even after seven years of Batista, had really forgotten the scandal of Grau's schoolteachers; or of Grau's Minister of Education, Alemán, who had arrived suddenly one day in Miami with was it $10 m. or was it $20 m. in cash in a suitcase? In what way was Batista's cheating in the State lottery worse than Prío's? It was all very well to return to the Constitution of 1940: but how far had it worked between 1940 and 1952? It had in many instances merely laid down general principles; the subsequent legislation had never been carried out to implement it.

For example, the Constitution provided that municipalities should construct and maintain public works. They could borrow money to finance such undertakings, provided they asked the proper authority. But this authority, the Tribunal of Accounts, was not set up till ten years after the Constitution. There were many similar examples. Some of the best-intentioned sections of the Constitution were in fact a little absurd, such as the provision in Article 52 that the annual salary of a primary schoolteacher should never be less than a millionth part of the national budget. At the same time, not many people, even sincere democrats, could summon up enthusiasm for the 1940 Constitution, since it had been estab-

lished with the backing of Batista and the communists. And at a deeper level, there was a genuine doubt among many in Cuba in 1958–9 about the structure of previous Cuban Constitutions ever since independence. Batista's police were certainly bloody, but the old days of gangsterism under the democratic rule of Grau were hardly much better. There was a time, for instance, in 1947, when three separate political gangster groups were fighting each other in the streets of Havana, each being separately backed by different divisions of the police, whose chiefs had been specifically appointed by the President to balance them off.

Revolutionary tradition

Although Castro did not come to power with a real party organization, or even a real political plan, he nevertheless did have behind him a real revolutionary tradition, a tradition which was firmly rooted in the previous sixty years of Cuban politics, almost the whole of which had been passed in perpetual crisis. This tradition had been most recently expressed among the *Ortodoxo* Party founded by Eddy Chibas and to which Castro himself had belonged until about 1955. Before the *ortodoxos* there had been the *auténticos*, who had provided the Governments of Grau and Prío from 1944 to 1952, and who also had promised many things when they were young, before they had come to power—in the 'heroic' days of the students' Directorate, fighting first against Machado and then latterly against Batista. Batista himself had come in in September 1933, promising everything and perhaps even meaning it for a while. Before him Machado had been thought of at first as the man the young republic had been waiting for—'almost "apollo-like"', someone had written in a French review. And long before that, in 1895–8, during the War of Liberation, the promises had been extremely full and glowing. To these recurrent waves of enthusiasm, most of them nationalistic and anti-American, most of them radical, each one of them more vigorous, more extreme than the last, Castro was the logical heir.

In 1959 the enthusiasm and the hopes for the revolution were greater than ever before, specifically because they had been deceived so often before. The pattern of elation and betrayal is a familiar one in Cuba (it is to be found even in Miami today), though it is surprising that so many betrayals should not provoke cynicism. All the time between 1902 and 1959, Cubans were trying to prove themselves worthy of the heroic figures of the War of Independence—Martí, Gómez, or Maceo. Efforts were made, understandably, necessarily perhaps, by Castro to make himself, Camilo Cienfuegos, and others the equals of the heroes of the past. The men of 1959 were undoubtedly in many cases the real sons of the men who made the revolution in 1933. Castro was to do the things that many people had been talking about before. Many moderately middle-class Cubans suspected, without much economic knowledge, that the only way

out of the chronic sugar crisis, the only way to diversify agriculture, was to embark on very radical measures: to nationalize American property and to force a break in commercial relations with the United States.

Amateur Marxism was a strong force on the left wing of the *Ortodoxo* Party in the early 1950s, though it is now proving an illusion to suppose that even Marxist–Leninism can bring a swift diversification of agriculture. One can see how the illusion nevertheless became widespread, how anyone who seemed likely to realize it was certain of backing, regardless of whether he trampled on formal democracy. There can be only one reason why the moderates in the Cuban Cabinet of 1959—the admirable professional and liberal persons who now perhaps back Manuel Ray and argue that Castro has betrayed the revolution—failed to unite and resist Castro, backed by the considerable strength of the Cuban middle class: the reason is surely that they half felt all the time that, given the betrayal of so many previous revolutions, Castro was right. Many moderates after all did stay in Cuba, and many are still there.

What of the communists? They have never dictated events, but merely profited from opportunities offered to them. Founded in 1925, their greatest figure was undoubtedly their first leader Mella, the glittering student of the generation of 1922. He was murdered in 1929 in Mexico by either Machado or his own communist friends. Thereafter the Communist Party progressed from internal splits to collaboration with Batista and Grau San Martín, with various changes of name and also of policy, though rarely of leadership after 1933. It was overcome with surprising ease by Prío and Mujal in 1947. The communists got 117,000 votes in the presidential elections of 1944, but they were by that time in a curious position, being less a party of revolution than one which had a great deal to lose, almost conservative in their reactions in fact. Thereafter their influence waned, throughout the intermediate period between then and the Castro civil war, until mid-1958 when, after some difficulty, they established a working alliance with Castro, whom they had previously dismissed as a '*putschista*'. Since then, they have, of course, come into their own in many respects, if not quite absolutely; but their role in the origins of the Cuban revolution seems to have been small.

To sum up: the origins of the Cuban revolution must be sought in the state of the Cuban sugar industry. Similar conditions may exist in other countries of Latin America, in respect of other crops; these have hitherto been less pronounced. Even although other revolutions in the area may in fact be equally due, they have been hindered by the strength of institutions or regional habits, which in Cuba, for historical reasons, were especially weak. Finally, the Cuban revolution of 1959, far from being an isolated event, was the culmination of a long series of thwarted revolutions.

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Notes of the month

Shifts in the balance of power

DURING the last few months since the signing of the test ban treaty, there has been no striking *rapport* between the two main nuclear Powers nor any indication that the cold war struggle for markets or U.N. vote has been changed into a more rational approach to international problems But the United States and the Soviet Union are progressing steadily to wards a common understanding of the limitations of nuclear weapons i both war and diplomacy. More pertinently, they are evolving a commo policy towards States which have present or future nuclear ambitions and they are doing so mainly because such ambitions are a threat to th survival of Russian and American citizens. The wheel of protectio through the possession of 'ultimate' weapons has almost come full circle Ten days ago, in fact, the U.S. Administration sent troops to German from Texas in the much publicized exercise 'Big Lift' to demonstrate it enhanced belief in the prime importance of non-nuclear protection. (A the time of writing, however, the exercise only served to widen the ga between the American and European notions of what constitutes credible strategy.)

In assessing the latest round of negotiations between the U.S., British and Soviet Foreign Ministers at the eighteenth General Assembly of th United Nations, together with other related manœuvres, it is essential t maintain this distinction between the continuation of the cold war an the end of nuclear diplomacy. Allies or partners of the United States an the Soviet Union still appear bewildered by their strategic accommoda tion and unable or unwilling to make this distinction. Their bewilder ment may stem from fear that they are to be sacrificed in order that th two major Powers may be secure. In this sense, Adenauer, de Gaulle and Mao speak with the same voice; the outbursts which all three hav inflicted on Washington and Moscow in recent weeks have been remark ably similar in tone.

There will doubtless be further Chinese outbursts; whether the Sino Soviet conflict deteriorates or not, it is bound to be a protracted and bitte verbal, economic, and strategic affair. But within NATO it is becomin increasingly clear that the United States is by-passing France and coerc ing West Germany into accepting the fact that the eventual politica

[1] See 'Test ban treaty: aftermath in NATO', in *The World Today*, Sept. 1963

settlement of Germany and her frontiers will only come if she accepts the Washington premise that this must be preceded by a strategic *détente* with the Soviet Union. It is the details of this that the Foreign Ministers were discussing in New York.

Little hard news has emerged. What is much more significant at this stage of the debate is that the West German Foreign Minister (not, of course, a participant in the New York talks) went to Paris before arriving in the United States to wait in the diplomatic wings. In Paris he made it clear to the French Foreign Minister that the U.S. policy was right, that Bonn supported it, and that if this support meant that the Franco-German treaty was a dead letter, this was preferable to a continuation of the *status quo*. 'Flexible' was Herr Schroeder's favourite word on this somewhat courageous journey.

Nothing concrete has emerged from New York largely because the Foreign Ministers were discussing possibilities of *détente* and arms reduction that would have seemed impossible a few years ago, when 'Rapacki' was a dirty word in Washington and even 'thinning out' frowned on. Moreover, details such as the positioning of military observers, a progressive run down of nuclear weapons, redeployment of conventional forces, limitations of budgets, and guarantees for Berlin (all in lieu of an unattainable non-aggression pact) obviously require patient and careful deliberation. The talks must also proceed in sequence with the crab-like course of NATO discussions about the projected multilateral force.

The two, of course, are intimately linked. Indeed, to the trained diplomatic observer, peering through the clouds of ambiguity which have surrounded Washington's statements on MLF, it is something more than a coincidence that talks about it were resumed once the test ban treaty was assured of success and that the project appears to have been put into cold storage until after the U.S. and British elections now that the Soviet Government has been convinced of its purpose—which, from Kennedy's point of view, is to reaffirm that ultimate U.S. control will never be relinquished. The talks will continue in Paris in an *ad hoc* committee of the NATO Council, but they will be a strategic seminar, not a discussion about projected hardware.

There are in retrospect at least three ways to consider the multilateral force project (MLF) and multilateralism (shared NATO planning and single American decision-making). Much of the public bewilderment—not least in the British Labour Party—about Kennedy's intentions in this field has arisen because interpretations are often made on the basis of a preference for one view rather than on concrete evidence to support it. The first, and for long most widely held, view was that Kennedy had conceded the right of European NATO to share in the control of the alliance's nuclear weapons. The 'resurgent Europe' school of thought, which still

includes many eminent academic strategists on both sides of the Atlantic, saw this as an American admission of a political right and a European will; as a strategic benefit (adding to NATO's options and Soviet strategists' problems); as an inevitable development in the nature of retaliatory and relatively invulnerable weapons; and, with rather less conviction, as a substitute for the withdrawal of medium- and short-range nuclear weapons from NATO territory.

The second and less widely held view in a sense inverted the first. MLF would not only present Soviet strategists with new problems in locating and inhibiting a powerful addition to or replacement of NATO's nuclear armoury; it would also make their Government consider what would happen if a European deterrent, free of American control, were developed instead. The notion that Khrushchev's entirely reasonable fear of a share by West Germany in the control of nuclear weapons might lead to his diplomatic arm being twisted if this were seriously threatened, or, alternatively, that he would offer concessions if MLF appeared as a lesser evil, does not really bear serious examination. The United States and the Soviet Union abandoned crudities of this sort after Cuba.

What is closer to the truth is that Kennedy seems determined to use discussions about MLF and the strategic concepts which its consideration must induce as a means of making it crystal clear that U.S. control of NATO's nuclear weapons will never be relinquished; in particular, and *pace* the Rusk–Home assurances in New York to Mr Gromyko, that West Germany will never be provided with 'nuclear knowledge'. This is a somewhat clumsily phrased reassurance, since West Germany shares already to a reasonable and legitimate degree in discussions about targeting and related measures. But Mr Gromyko seems to have got the message and accepted multilateralism's purpose as outlined above.

The reality that Kennedy is in fact dealing with Khrushchev direct has hitherto been obscured by the debate about whether an Atlantic alliance with a common policy was possible. There was, until 14 January, a fiction that Western Europe was somehow a third Power. Not the least significant recent development has been Kennedy's realization that it is nothing of the kind.

ANTHONY VERRIER

Slow motion in Brussels

IT has become fashionable to say that the building of the European Community is like riding a bicycle—when you stop pedalling you fall off. The analogy is probably broadly true, but any cyclist can coast for a while and a good cyclist can go very slowly and still stay upright. Having pedalled furiously for the first five years, the Community has been able to coast since the crisis of confidence which was provoked by the method (more than by the fact) of the British exclusion from the Community on 29 January 1963. Now the Community is beginning to pedal again. How

much momentum will it pick up? And will it be enough to propel the Six into a closer union or will it be enough only to hold the position already gained? Was General de Gaulle right when he predicted last January that the indignation he then provoked would be short-lived and that before long the Community would return to normal? Or will the veto have a lasting effect on the morale and spirit of the Community institutions?

It is still too soon to be sure of the answers to these questions, for the final verdict in the argument between 'Europeans' and 'Gaullists' is not yet clear. Nevertheless, today, nine months after the veto, three things are reasonably plain: first, there is enough automatic propulsion built into the system for the process of economic integration among the Six to be bound to continue, if somewhat more slowly than in the past; second, the cumbersome Community machinery, which could function with reasonable efficiency in an atmosphere of mutual confidence, creaks badly when that atmosphere has been destroyed; and third, the heady sense of purpose and the *élan* that in the past was characteristic of the Community institutions are now largely missing and it is difficult to see how or when they will be recreated.

Even if one were to assume that there would be no new initiatives and no further attempts to force the pace, there are today enough inescapable and irreversible pressures working on the Community—some from inside, some from outside—to ensure not only plenty of activity for the institutions but also some forward movement toward economic union among the Six. On 1 July 1963, despite the 'crisis of confidence', the Six cut their tariffs on trade with one another by a further 10 per cent, thus bringing the total cuts that have been made to 60 per cent. At the same time they also took the second step in aligning their national tariffs with the common external tariff and, as a result, they are today about two-thirds of the way to a full customs union.

In the early days of the Common Market it was frequently predicted that, by the time internal tariffs had been cut by 50 per cent, the customs union would be past the 'point of no return' and irreversible. This prediction might not have been made so confidently had the Community experienced depression rather than boom in its first years. Nevertheless despite the acute political problems now plaguing the Community, even the most pessimistic forecasters assume that the customs union will be completed, and probably in accordance with the accelerated time-table which calls for a full customs union for industrial goods by the end of 1966, three years ahead of the schedule laid down in the Treaty of Rome. The process of completion of the customs union will in itself not only mean a substantial, if relatively unexciting, task of administration for the institutions of the Community, but it will exert a steady and continuing pressure on the six Governments to harmonize their policies in dozens of minor ways and in some very substantial ways as well. Whether or not the

political 'will' toward union is there, the fact of forming a customs union will drive them automatically to a greater co-ordination of policy on such important questions as exchange rates and taxation and, of course, on all matters affecting their commercial relations with third countries. Moreover, many of the regulations already adopted (e.g. on restrictive practices and on agriculture) also now have a momentum of their own which makes it almost impossible for the Community to become immobilized, even though friction among the members may make agreement on new common policies difficult or impossible. Similarly the association arrangements with the overseas territories exist—the development fund has to be administered and the trade arrangements policed.

In addition, and almost as important as these automatic pressures arising from the progress toward customs union and from the Community's own past decisions and actions, there are strong external pressures which are also driving the Six closer together. Of these the most important is the negotiation in the GATT, the so-called 'Kennedy round'. The negotiations with the British caused the Six to think through various aspects of their external economic policy, and to arrive at common positions, far earlier than they would otherwise have done. The need to negotiate collectively, as a single customs area, in the Kennedy round is now forcing the Six to continue this process. Not only will the Six have to agree among themselves on the depth of the overall cut in the common external tariff that they are prepared to accept, but they must agree among themselves on the whole technique of the negotiations. The arguments now going on in the GATT committees—about the basic formula to be adopted for tariff cutting, about the need for special treatment for exceptionally high tariffs and perhaps for exceptionally low tariffs, about the consideration to be given to various non-tariff barriers, about the kind of reciprocal concessions to be sought from under-developed countries—sound tediously technical. But the Six, in order to reach agreement among themselves on the position they will jointly adopt on these questions, will, in fact, have to agree on a great many important aspects of the Community's external economic policy.[1]

Moreover, on these questions national interests frequently conflict and the need to arrive at a common policy will not only provide the Commission, and the other institutions of the Community, with a heavy agenda, but the adjustments in national policies that will be required if common positions are to be found will tend to push the Six farther along the road toward economic union. Agriculture is once again, as it was in the British negotiations, both the biggest prior hurdle that the Six collectively must take, and the biggest potential stumbling-block to an agreement between them and other countries. Again, the need to have a common position

[1] They will also have to close the last gap in their common external tariff and agree on the rates for petroleum products.

externally will be a strong pressure working toward internal agreement. And, again as in the negotiations with the British, if the Six succeed in reaching the necessary prior agreements among themselves they will have taken another long step toward economic union.

Thus it seems clear that the process of implementing the specific commitments of the Treaty of Rome and of carrying out decisions already taken, combined with the need to play a part in the Kennedy round and to respond to other external pressures (e.g. requests for trade agreements with Israel and India and for consultations with the Latin American countries, and the need to participate in the fisheries conference proposed by the United Kingdom) will not only keep the institutional wheels turning in Brussels but will inexorably weld the Six together. Although no one anticipates that any bold new steps can be taken while General de Gaulle is the Government of France, the 'Europeans' are counting on these virtually inescapable pressures to provide enough momentum to carry them through what they hope, perhaps optimistically, will be only two or three years.

Although the Common Market has weathered the blow administered by General de Gaulle in January, the Community 'method' has not come through unscathed, and its complicated institutional machinery turns very slowly when, as today, there is a fundamental disagreement about ultimate objectives and continuing suspicion of French intentions nurtured from time to time by fresh pronouncements by General de Gaulle.

The essence of the Community method as it had evolved in the first five years was the delicately balanced interplay between the Commission and the Council of Ministers. The Commission, acting as the guardian of the Treaty of Rome and as the agent of the Community as a whole, formulated proposals for approval by the Council of Ministers. So long as the Six felt confident that they were all pursuing the same general objective, there was a disposition to subordinate national interest to the collective interest. In this atmosphere the system worked with reasonable efficiency. The Council of Ministers was naturally concerned to see that the proposals were acceptable to their individual Governments, but a proposal by the Commission was usually regarded as an impartial assessment of where the common good lay and the final decisions taken normally lay very close to the Commission's proposals. This, in turn, added to the stature of the Commission. Although it had few direct powers of decision, the Commission could, and did, speak for the Community and was accepted by third countries as well as by the member States as its central institution. In the new situation, power has inevitably shifted away from the Commission and toward the Council of Ministers, and a rather different method of operation is emerging, a method which is both less efficient and less calculated to ensure that the policies adopted will, in fact, represent the collective good of the Community as a whole. The

only way the process of making decisions was restarted after January was by deliberately departing from the usual method and by agreeing, at the suggestion of the German Foreign Minister, on a programme based not on mutual confidence and a common goal but on suspicion and a recognition of the fact that there was dissension about objectives. Thus the commitment to adopt by the end of the year the three major agricultural regulations still outstanding (for dairy products, beef, and rice) and to reach decisions on grain prices for the 1963–4 and 1965–6 seasons—matters of particular interest to France—were directly tied to undertakings to reach the necessary prior agreements within the Six so that the Kennedy round could go forward and to re-establish contact with the British, both matters to which the Other Five attached particular importance. The package deal is by no means new to the Community, but heretofore the package (e.g. the 'acceleration' package) has usually been proposed by the Commission, and the elements in the package—although some have been of more interest to one country, some to another—have been interrelated parts of a coherent Community policy. In contrast, in this case, the package was a collection of bargains struck between suspicious partners each seeking to tie the other down tightly enough so that there could later be no wriggling out.

The breakdown in confidence and mutual trust among the Six has also meant that the day-to-day work of the Community is increasingly done in the Committee of Permanent Representatives (the deputies of the Council of Ministers) rather than by the Commission, or perhaps it would be more exact to say that the work is re-done by the Permanent Representatives. This trend would seem to be inevitable so long as the extreme nationalism of the Gaullists dominates the policy of one of the major countries of the Community, for as soon as it is plain that national interest has a clear priority over the Community interest in the actions of one country the others reply in kind, and those organs of the Community that represent the national interest (the Council of Ministers, the Committee of Permanent Representatives, and the twenty-odd committees that are now operating under the Council of Ministers) become progressively more important, for it is in these committees that national deals can be done. The prestige of the Commission will inevitably suffer as its role in the decision-making process becomes less influential and the quality and, in particular, the 'Community-mindedness' of the decisions taken is also apt to suffer. Moreover, apart from other drawbacks, the sheer cumbersomeness of the present method of work and the fact that even the most trivial decisions are now becoming matters of national bargaining means that it is almost impossible for the Community to reach decisions rapidly.

Some way must soon be found to make the Community institutions function more efficiently if the Community is to play an effective part in the Kennedy round and in international economic life generally. But the

problem is that the Community cannot be made efficient simply by tinkering with the machinery but only by restoring mutual confidence among its members, and it is difficult to see how that is to be done so long as one of the principal Governments opposes the concept on which the Community was founded. MIRIAM CAMPS

Free trade between Australia and New Zealand?

OVER the last few years there has been increasing discussion in Australia and New Zealand about the possibility of joining the two countries in a customs union or free trade area, and in April 1963 a joint official standing committee was formed to study the question. However, it was stated at the same time that Australia considered it impossible to include in the negotiations certain products, for example dairy produce and lamb, and that New Zealand had similar reservations concerning a number of manufactured items. Therefore, at present only a limited free trade area in forest products and some other items is considered practicable by the two Governments. Early in July the joint standing committee held its first meeting on this topic.

It would be difficult to find two countries between which the cultural and political obstacles to the establishment of closer economic ties would be weaker; yet some anxieties of this character do exist, particularly in New Zealand. Near as New Zealanders feel themselves to Australia, most of them have even stronger links with Britain. In some quarters there is also a feeling, as there is in the United Kingdom towards the European Economic Community, that in her employment and welfare policies and in some other aspects of her political and cultural climate New Zealand is more advanced than Australia, and it is feared that these achievements might be diluted. Also, the absence of memories of past destructive struggles against one another means that the idea of economic union between the two countries is not likely to generate the kind of enthusiasm possessed by the European movement. On the whole, the idea has generated little political emotion in either country and is not likely to become an issue in the elections on 30 November. It will probably continue to be discussed, and will eventually be decided, on its economic merits.

The economic difficulties are more immediately apparent than the advantages. First of all, there is that notorious stumbling-block, agriculture. To protect her own farmers, Australia is at present not willing even to discuss the free entry of New Zealand's main food exports. In New Zealand, many manufacturing firms believe that their survival depends on protection, and they have strong supporters in the trade unions and in government departments. In the broader and longer view, of course, it is precisely the impact on high-cost producers which is regarded as the main benefit of a customs union: in the absence of trade barriers, production for the whole united market would tend to be concentrated in the

most efficient units and this would improve the overall utilization of productive resources. The improvement would be all the greater because production could be organized on a larger scale: in New Zealand with her 2½ million inhabitants, and even in Australia with her 10½ million, the small size of the market is a constant preoccupation. From this point of view, any loss of capital values and of jobs due to the elimination of trade barriers between the two would represent the inevitable cost of progress. None the less, the social problems created would be genuine; and so is the resistance of strong economic interest groups in both countries.

Moreover, even on its own level of generalization, the argument in favour of a customs union is subject to two objections of considerable, though unequal, importance. The lesser one is known in economic theory as the trade diversion issue, and arises from the fact that a customs union helps efficient producers in one member country to displace on the market of another country not only the *less* efficient local producers but *more* efficient producers in third countries as well; thus the overall allocation of the world's resources is distorted rather than improved. In a world which is in any case very imperfect this sounds like a purely academic point, but for New Zealand in particular it also has a direct bearing on the national interest. New Zealand imports many products which are also made in Australia but for which Australia is not the cheapest supplier; the diversion of these imports from their present sources to Australia would worsen New Zealand's terms of trade. The practical relevance of the matter to official decisions is further enhanced by the fact that the loss would appear in the form of a fall in the customs revenue of the New Zealand Government. The second, major, adverse consideration is concerned with what has become known, after Myrdal, as the 'backwash' effect: that in every large market certain 'nodes' or 'growth poles' tend to arise and to draw to themselves the bulk of the total new supply of capital and skills in the whole area. It seems probable that free trade between Australia and New Zealand would reinforce the growth poles of the Australian economy, the industrial areas centred on Sydney and Melbourne, but would inhibit the development of any major growth poles in New Zealand.

In the writer's opinion, this problem of the 'backwash' is crucial; but it is not beyond human ingenuity to solve it. It is a straw in the wind—though hardly more—that, in its report *Economic Growth in New Zealand* (May 1962), the New Zealand Monetary and Economic Council advocated both the establishment of a customs union with Australia and the introduction of indicative economic planning in New Zealand. If a technique were found to guide economic development in such a way as to secure the advantages of a customs union but at the same time to avoid 'backwash'—also eliminating thereby most of the legitimate private fears—the results might be of more than regional interest. PETER ELKAN

China irredenta: the north

F. C. JONES

IN his article 'The Chinese view of foreign relations' in the January 1963 issue of *The World Today*, Professor C. P. Fitzgerald states:

> A second reality for the Chinese is the traditional extent of their domain, the frontiers established by the strong dynasties of former times. China was the civilized world; for centuries this was perfectly true as far as Chinese experience reached, and the idea remained firm in Chinese minds long after it had ceased to be true in fact. Territory once won for civilization must not be given back to barbarism; therefore, territory which was once Chinese must for ever remain so, and if lost, must be recovered at the first opportunity.

If this is a true statement of China's policy, and there is much in her attitude to Indian frontier questions to bear it out, it is interesting to consider what territories, now either a part of the Soviet Union or within her orbit, were once held by the Manchu empire at its zenith. These may be divided into, first, Central Asia, and, second, the Far East—the Lake Baikal and Amur regions.

During the latter part of the seventeenth and the first half of the eighteenth centuries the Manchu emperors, especially K'ang Hsi and Ch'ien Lung, were engaged in a constant struggle against a Turko-Tartar people in central Asia called the Kalmucks or Eleuths. The centre of their power lay in Djungaria, north of the T'ien Shan mountains, but when united under a strong chieftain they also held large parts of what is now Soviet Turkestan, as well as western Mongolia. They were a menace to the Russian settlements in western Siberia as well as to the Manchus, and this made for a certain amount of co-operation between the Russian and Chinese empires. Their eventual defeat resulted in the Manchu conquest of all Mongolia and Djungaria and the establishment of at all events Manchu suzerainty over what are now the Soviet Union republics of Kirghizia, Uzbekistan, Tadjikistan, Turkmenistan, and Kazakhstan. In the mid-eighteenth century Ch'ien Lung's armies conquered the region lying between the T'ien Shan mountains and Tibet and this was incorporated into the Manchu empire as Sinkiang—the New Dominion. Ch'ien Lung also claimed control over the Pamir region.

Between 1847 and 1855 the Russians secured control over the area around Lake Balkhash and during the next thirty years they advanced

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from both east and west to the Persian and Afghan frontiers. Chinese claims to the Pamirs were overruled in 1891 by both Russia and (British) India, and China lost all but one district.

The Ili region

In 1864 a revolt of the Tungans (Chinese Muslims) broke out in northern Sinkiang, followed by an uprising of the Uighurs (Turkish Muslims), who form the majority of the population. Under Yakub Beg they overran most of Sinkiang, and Yakub established a kingdom of his own. To forestall any designs he might have on Russian Turkestan, the Russians occupied the sultanate of Kuldja in the Ili valley, which affords an easy route between Russian and Chinese Turkestan, promising to evacuate this territory should Peking regain control of Sinkiang. Contrary to all expectations, the Chinese succeeded in reconquering Sinkiang during 1876–7. In 1878 a Chinese envoy sent to negotiate with the Russians at Livadia agreed, whether through bribery or not, to concede them most of Ili, except Kuldja itself. This was indignantly repudiated by the Manchu Government and a Sino-Russian crisis arose. War was averted, however, by the Treaty of St Petersburg in 1881, by which eastern Ili, including Kuldja, was restored to China, while Russia retained western Ili and was paid an indemnity for the expenses of occupation.

Outer Mongolia and Tannu Tuva

Under K'ang Hsi and Ch'ien Lung all Mongolia was brought firmly under Manchu rule; the various Mongol princes continued to rule their tribes, but were discouraged from forming alliances with one another and were watched over by Manchu ambans or residents. This remained the state of affairs until 1911, when the Mongol princes took advantage of the Chinese revolution to declare their independence, expel the ambans, and establish a Government with the Hutukhtu, or Living Buddha, of Urga at its head. This was a logical enough development, since the Mongols had never been subjects of the Chinese; some of them, indeed, had cooperated with the Manchus in the conquest of China. The Chinese Republican Government, however, claimed to be the inheritor of all the territories ruled over by the Manchu emperors. The Mongols therefore turned to Russia for help. The Russian Government desired to preserve Outer Mongolian independence from China but was not willing to support wider pan-Mongol aspirations, as this would have meant trouble with both China and Japan at a time of increasing tension in Europe. In 1912 a Russo-Chinese agreement recognized Outer Mongolia as legally part of the Chinese Republic, but as *de facto* autonomous and exempt from Chinese troops or colonists. In 1915 this was in general confirmed by the tripartite Russo-Chinese-Outer Mongol agreement at Kiakhta.

Then came the Russian revolution and subsequent civil strife. In 1919

the Chinese general Hsu Shu-teng—'Little Hsu'—occupied Urga and compelled the Mongol princes to renounce their autonomy and accept direct Chinese rule. In 1921, however, a White Russian leader, Baron Ungern-Sternberg, invaded Outer Mongolia and overthrew the Chinese. The excesses of the 'mad Baron' soon turned most Mongols against him and with the aid of Soviet Russian forces he was defeated and killed. The pro-Soviet Mongol chiefs then set up a National Revolutionary Government, with the Hutukhtu as nominal head. After his death in 1924, the Mongolian People's Republic was established, the conservative elements eliminated, and a process of socialization under Soviet auspices carried through. By the Sino-Soviet agreements of 1924, however, the Soviet Union continued to recognize Outer Mongolia as *de jure* a part of the Chinese Republic.

The Chinese Nationalist Government under Chiang Kai-shek had perforce to accept Outer Mongolian autonomy, though it protested at the Pact of Mutual Assistance concluded between the U.S.S.R. and the M.P.R. in 1936. By the Sino-Soviet Treaty of 14 August 1945, China agreed to recognize the independence of Outer Mongolia, provided the Mongols by a plebiscite showed themselves in favour of this. The 'plebiscite' the following October revealed the support of 98·4 per cent of the Mongol population; in January 1946, therefore, China formally recognized the Mongolian People's Republic as an independent State. The M.P.R. then concluded another treaty of friendship and mutual assistance with the U.S.S.R.

The situation has not changed since the accession to power of the Chinese People's Government in 1949. The Mongolian People's Republic has remained a satellite of the U.S.S.R. and dependent upon her for financial and economic aid.[1] To a lesser degree the Chinese People's Government has also extended aid, and in 1958 sent 10,000 Chinese labourers to assist in construction work, with the prospect of becoming permanent settlers. The influence of the Russian Communist Party, however, remains paramount and the Mongol leader, Marshal Tsedenbal, appears firmly wedded to the 'Khrushchev line'.

The region of Tannu Tuva, at the northern apex of Mongolia, is inhabited by the Uriankhai Mongols and was formerly known by that name. It is separated from the rest of Mongolia by the Tannu Ola range of mountains. The upper reaches of the Yenisei river traverse the district, so that access from Siberia is comparatively easy, and, even while it formed a part of the Manchu empire, Russian influence was strong. In 1914 Russia established a protectorate over the area and stationed troops there in the following year. After the Russian revolution, communist influences took hold in the country and in 1921 the Tuvinian People's Republic was

[1] See 'Economic Advance in Mongolia' by C. R. Bawden, in *The World Today*, June 1960.

ıp under Soviet auspices. This was kept separate from the Mon-
n People's Republic, and in 1944 it was announced that the Uriankhai
le had asked for their country to be incorporated into the Soviet
on as the Tuva Province of the Russian Socialist Federated Republic.
country is rich in minerals and is of strategic importance because of
roximity to the Kuznetsk industrial centre.

Lake Baikal and Amur regions

om the end of the sixteenth century, bands of Cossack adventurers
trated into Siberia; by 1632 they had reached the Lena river and
ded Yakutsk, and Okhotsk, on the sea of that name, was founded in
. Other bands pushed south-east towards Lake Baikal, founding
ements at Irkutsk and Nerchinsk.

eanwhile, other Cossack expeditions pushed down towards the
ır, which was reached in 1643. The Cossacks were now penetrating
territory where the tribes owed allegiance to the Manchus, but the
r, preoccupied with the conquest of China, had no troops to spare to
with this menace from the north, nor did they at first appear to
ze with what sort of a Power they had to deal. By 1680, however,
ıg Hsi was in a position to send strong forces to the Amur and these
ed the tables. Yet K'ang Hsi, who by now had a better understanding
ıe Russians, did not want war with them, which would drive them to
e common cause with the Kalmucks, and the Russians, involved in
in Europe, also did not want war with a distant and powerful empire
ıe Far East, where their forces were very thin on the ground and
lems of supply and reinforcement very formidable. The result was
conclusion in 1689 of the Treaty of Nerchinsk. By this the frontier
to be the River Argun to its junction with the Amur and thence along
south side of the Stanovoi range of mountains to the Sea of Okhotsk.
Russian forts on the Amur were to be destroyed and no Russian
gation on that river to be allowed. The Treaty of Nerchinsk was sup-
nented by that of Kiakhta in 1727, which delimited the Russo-
ıchu border westwards from the Aigun to the Sayan mountains,
h of Lake Baikal.

hese arrangements stood until the mid-nineteenth century, when
sia profited by the defeats of the Manchu empire at the hands of the
ish and French to resume her advance. In 1847 the ambitious Count
raviev was appointed Governor-General of eastern Siberia; two years
r he sent Captain (later Admiral) Nevelskoi down the Amur in search
better naval port, leading to the foundation of Nikolaevsk. The Tsar
eld this breach of the Treaty of Nerchinsk and it was followed a few
s later by the setting up of Russian settlements on the north bank
he Amur at Blagoveschensk and Khabarovsk. In 1858, when the
nchu empire was at war with Great Britain and France, Muraviev

secured from the local Manchu governor the Treaty of Aigun, by which all territory north of the Amur was to be Russian, while the region between the Amur, the Ussuri, and the sea, down to the Korean border, was to be under joint administration. The Manchu Government at first refused to ratify this and dismissed the Manchu official responsible for signing it; in 1860, however, after the British and French had occupied Peking, General Ignatieff, the Russian Ambassador, by a mixture of cajolery and threat, induced the Manchu Government to ratify the Treaty of Aigun and to cede the Maritime Province (Primorsk) as well. Even before the Russo-Chinese Treaty of Peking, Nevelskoi had explored the harbour at which Vladivostok (Lord of the Sea) was founded in July 1860. Thus the Manchu empire lost 400,000 square miles of territory, most of which is very rugged and inhospitable.

The territorial issue in the present Sino-Soviet quarrel

In recent months it has become evident that one cause of the now open breach between the Russian and Chinese leaders has been the Soviet apprehension that Mao might, when he felt strong enough, reactivate these territorial questions. This was one reason why, as he has now made clear, Khrushchev from the first was opposed to the Chinese taking up frontier claims against India and refused his support for them. The Chinese assertion that an independent India ought not to hold on to areas which, in Peking's view, were unjustly acquired during the period of British rule obviously carries with it the implication that the Soviet Union ought not to retain territories secured from China by Tsarist Russia. That Mao *does* think along these lines was indicated by an article in the *People's Daily* of 8 March 1963. This was in reply to a speech by Khrushchev of 12 December 1962, in which, answering Chinese attacks upon him for 'appeasement' over Cuba, he had riposted that if the Chinese felt so strongly about colonialism why did they not do something about Hong Kong and Macao, as India had done about Goa. He had added that he was not trying to prod them into doing this, since he appreciated their reasons for restraint. The *People's Daily* article in answer gave a list of nine 'unequal' treaties which needed remedying, among them those of 1858, 1860, and 1881 with Russia. It inquired whether the Soviet leader intended to raise *all* the questions of unequal treaties and invite a general settlement of them. There was no demand that Khrushchev should do so, but the rejoinder constituted a plain hint that Mao was not inclined to distinguish between Hong Kong in British hands and Vladivostok in Russian ones.

More recent polemics indicate that there has been trouble along the Sinkiang–Soviet Union border, and also over some disputed islands in the Amur river. A Soviet statement of 21 September accused the Chinese of 'systematically violating the Soviet border since 1960'. It claimed that

there were 5,000 such cases in 1962 alone and said that China would receive a 'decisive rebuff' if these hostile activities continued. The Chinese for their part have accused the U.S.S.R. of encouraging disaffection among the Kazakh people of Sinkiang and enticing them to escape across the border. The Soviet claim is that the Kazakhs fled to escape famine conditions, forced labour on public works, and ruthless repression of any expression of discontent. The Chinese have been promoting the settlement of migrants from China proper in Sinkiang, where there are important oil reserves and possibly uranium deposits also. Despite warnings by Mao against 'Great Hanism'—that is, unequal treatment of the racial minorities—it is likely that they have fared badly at the hands of over-zealous Chinese officials. This has been an oft-repeated story in the history of Chinese relations with the non-Chinese minorities. Chinese colonization of Inner Mongolia has reportedly increased the Chinese population of that region by 6 million over the last eight years, so that the Mongols there are now outnumbered by ten to one.

Mao is also encouraging a flow of Chinese settlers to northern Manchuria despite adverse climatic and agricultural conditions. The recovery of the territories lost to Russia in the nineteenth century would give fresh opportunities for settlement and also new mineral resources, although only to a limited extent. It would also free the Chinese Communist regime of Chinese Nationalist charges that it is the ally of a country which still holds territory which should rightfully be Chinese. Peking, realizing its inability to conquer Formosa in the face of American opposition and the Soviet refusal to court war over the issue, has recently been angling for a reconciliation and voluntary reunion. This is highly unlikely while Chiang Kai-shek survives, but it is a moot point what will happen when he retires or dies. The Chinese People's Government has also recently displayed a more conciliatory attitude towards Japan, whose claims to the Habomai islands and the southern Kurile islands of Kunashiri and Yetorofu have been rejected by Moscow. There is no doubt that Mao is thoroughly embittered, on both ideological and more nationalist grounds, at Khrushchev's policy of refusing to risk a nuclear war, of denying China assistance in producing nuclear weapons, and of imposing economic sanctions upon her for refusing to bow to his will in these matters. There may therefore be some truth in Soviet charges that he is making all the trouble he can and endeavouring to create an Afro-Asian bloc against the West in general, in answer to what he considers to be Khrushchev's 'revisionism' and defection from proper Marxist–Leninist principles.

It seems, however, unlikely that Mao would involve China in war with the Soviet Union over these territorial questions, unless he really is hypnotized by China's vast population and does not realize how greatly this would be counterbalanced by the industrial and technological superiority

of the Soviet Union. In view of the experience of the Chinese army in the later stages of the Korean war, the Chinese generals at all events can hardly be under any illusion in the matter. After the agrarian and industrial troubles of the last four years, the Chinese people are in no condition to wage a foreign war, and an unsuccessful one would imperil the whole regime. Khrushchev, for his part, is also faced with serious agrarian difficulties, so that he, too, would apparently not be inclined to push matters to extremes. Yet, with two such peremptory and incompatible characters, each convinced that he is in the right in the questions at issue, nothing can be predicted with certainty.

An article on 'China irredenta: the south' by O. W. Wolters will appear in the next issue.

Brazil: economic problems and political solutions

THE situation in Brazil has been steadily deteriorating since the resignation of President Quadros in August 1961,[1] despite optimistic forecasts of the possible success of the three-year Plan launched at the beginning of this year. The Plan itself, though the parts relating to financial retrenchment have so far been fulfilled, is now generally regarded as a failure because of the vertiginous rise in the cost of living that has taken place and the consequent holding-up of the massive U.S. aid programme that had been promised on condition that inflation was halted. The important figure here is the rise in the cost of living over the first eight months of the year: 44·8 per cent according to the index published in *Conjuntura Econômica*, or 4 per cent more than the maximum increase for the whole of 1963 foreseen in the Plan.

This increase in the rate of inflation, which is in excess of what Brazil considers normal, is directly responsible for an increase in social and economic tension, which the various branches of Government seem powerless to handle. The most disruptive direct effect is the heavy pressure by the trade unions for wage rises and the consequent growing bitterness of labour disputes. This has caused a deep fissure between the extreme and the moderate wings of President Goulart's Brazilian Labour

[1] See 'Brazil: Democracy's Last Chance' by Andrew Marshall, in *The World Today*, November 1962.

The author of this article, resident in Brazil, wishes to remain anonymous.

Party (*Partido Trabalhista Brasileiro*—PTB), which Sr San Thiago Dantas, former Finance Minister, called the 'negative Left' and 'positive Left' respectively. The former support all claims by the workers and suggest that a violent change of Government may be necessary if these claims are rejected; the latter seek to pare down labour's claims in the interests of slowing down the inflationary process.

This process, depriving the Government of much of its support in Congress and the country, has seriously weakened the administration, which has to seek backing where it can find it and seems to have lost whatever orientation it may have had in a vain attempt to be 'all things to all men' of the Left. Naturally, it is not only in the labour field that the gathering inflation has had its effect: business men are compelled to concentrate on protecting their resources, rather than on developing their enterprises. More and more capital is going into urban construction and the purchase of bills of exchange, both of which activities can realize profits of 50 per cent or more a year; industrial expansion is unlikely to show a return higher than 50 per cent, which in any event scarcely keeps level with the depreciation of the cruzeiro.

The slowing down of the increase in industrial production this year must be attributed both to inflation, which has advanced too far to be the stimulus to the economy that it was in President Kubitschek's time, and to the restriction of credit by the Government early this year in accordance with the requirements of the three-year Plan. According to estimates published in *Conjuntura Econômica* the annual rate of growth in the whole economy this year, projected on the basis of the first six months' results, will be only 2·4 per cent, as against the 1962 rate of 3·5 per cent and the annual increase in the population, estimated at 3·1 per cent. Overall industrial output is expected to increase by 4·8 per cent only, against 6 per cent last year. Since the three-year Plan required an annual rate of growth of 7 per cent, or about 3·7 per cent *per capita*, which would postulate an increase in industrial production of about 10 per cent, it would appear that production is falling far behind the goals set by the Plan.

An even more serious deficiency, compared with the provisions of the three-year Plan, is that relating to foreign investment and loans. For the fulfilment of the Plan as drafted, $1,500 m. in net inflow of capital from abroad was required over the three years, or $500 m. a year; however, actual net inflow in the first half of 1963 was only $5 m., compared with $153 m., $177 m., $72 m., and $77 m. in the four half-years of 1961 and 1962. The reasons for this were dissatisfaction abroad with the progress made by the Brazilian authorities in halting inflation, which held up promised loans, and also—probably more important—the adverse effect on the private investment climate of the law limiting profit remittances.

The federal budget, however, is one of the spheres in which the three-year Plan has been followed closely. The deficit has been re-estimated at

about 300,000 m. cruzeiros, and the shortfall of revenue from expenditure for the first six months of the year was 95,000 m. cruzeiros, well within the estimated six months' deficit. This adherence to the provisions of the Plan was achieved on the revenue side by higher tax levels and improved collection and, as regards expenditure, by the Government's '*Plano de Contenção*' (austerity plan) under which inessential expenditure was pruned heavily and, for instance, long-standing import subsidies such as those on wheat and petroleum products were abolished. This last action was a considerable impetus to the rise in the cost of living, since much of the cost of these essential articles was transferred from the taxpayer to the consumer. However, it is certainly true that if all subsidies to State-owned transport entities, particularly the federal railways and coastal shipping companies, and to State industrial enterprises such as the *Fábrica Nacional de Motores* and *Companhia Nacional de Álcalis* were rescinded, the Treasury deficit would be almost wiped out.

It is difficult, however, in Brazil to follow policies that would benefit the economy if at the same time they offend powerful interest groups. Any attempt at reducing budget expenditure must take into account the very large army of Federal civil servants and employees of various State-owned 'autarchies' and mixed-capital companies; there has previously been much political influence in deciding the number of these functionaries and their remuneration. On the revenue side, income-tax evasion is widespread and militates against the increasing of direct taxes. In the upper brackets, income tax has reached the uneconomic level of 90 per cent and cannot really be further increased: this tends to encourage evasion.

It is hard indeed to see what policies are open to the present Government to remedy the situation. Considering the left-wing nature of its dwindling support, it is not realistic to expect it to provide drastic remedies of the kind that are suggested daily by economists and bankers: a free exchange rate, a reform of the civil service, the repeal of the Profit Remittance Law, the sale of unprofitable industrial enterprises owned by the State, and an end of price control on foods and other essential articles of daily consumption. All these policies would affront those who still support President Goulart, as they would result in either the diminution of the power of the central administration, or in the lowering of the standard of living of the working classes. Even if this last were only a temporary effect, it might well overstrain the hitherto remarkable patience of the workers.

It would appear then that radical changes in policy are unlikely under the present regime, whose term of office is not due to end until 31 January 1966. It is therefore hardly surprising that many Brazilians are predicting that any further economic deterioration must lead to a sudden change. The balance of forces suggests that such a change would only be possible

'led by, or at least visibly supported by, the armed forces, and the army ı particular. Though there are strongly left-wing elements in the forces, ıe ease with which the recent 'Sergeants' Revolt' was crushed suggests ıat any change imposed or supported by the military would be, though ationalist, not disposed to accept the dictation of the Left.

'olitical trends

Two candidates for the 1965 presidential election have already de- lared themselves and are actively campaigning. Both Sr Kubitschek and r Lacerda represent well-defined currents in Brazilian political life, ıough their appeal is more that of personalities than of party standard- earers. In any event membership of the Brazilian political parties, of which there are thirteen (though only three are large and only five of im- ortance), is not an entirely reliable guide to politicians' aims and ideals: ıere is far less ideological distance, for instance, between some members f the *União Democrática Nacional* (UDN) and some of the PTB (to take wo parties usually strongly opposed to one another) than between the wo extreme wings of these parties. As distinct from the parties, there are ıx definable ideological currents, summarized below, from Left to Right:

1. The Communists, both russophile and sinophile, and the group led by Francisco Julião, originator of the Peasant Leagues of the north-east and a devoted supporter of Fidel Castro. The Communist Party is illegal but has managed to insert a few of its members into Congress under the labels of other parties. These groups have some influence in the trade unions, among the student groups, and reportedly among the President's 'back-room boys'.
2. The extreme nationalist group, very largely left-wing, but with some die-hard conservative support, opposed to foreign interests and particularly to the U.S. and her influence, including the Alliance for Progress; labelled by Sr Dantas as the 'negative Left'. Its adherents in Congress, mostly of the PTB and the *Partido Socialista Brasileiro* (PSB), with a few from other parties, are united in the *Frente Parlamentar Nacionalista*. The group is often accused by its opponents of under-cover communism; objective observers believe that, though it may co-operate with communists on occasion, it is far from identified with them. Its leaders, however, threaten violent change if the 'basic reforms' (see 3 below) cannot be gained through legal processes.
3. The group labelled by Sr Dantas as the 'positive Left' and containing the moderate wing of the PTB, with several members of the *Partido Social Democrático* (PSD) and the smaller parties. It wishes to effect basic reforms in the administration and the economy, mainly in the fields of banking, taxation, and agriculture, but without violent social or economic upheavals.

4. The nucleus of the non-party organization that brought Sr Jânio Quadros to power in 1961, which continues to constitute a nebulous but potentially powerful political force under the slogan of '*Janismo sem Jânio*'. The Christian Democrat Party (of which Sr Ney Braga, the Governor of Paraná, is a leading figure), certain other state Governors, and a number of deputies of all parties form the core of this group, who are said to be seeking a 'Third Force' candidate for the 1965 elections. Its objectives are described as the establishment of positive leadership, moderate social reform, and probity in administration.
5. The group including mainly members of the PSD and the various small parties, and strongly supported outside Congress by landed interests, public servants, business men, and many workers. Its aim (to paraphrase President Kennedy) is to 'get Brazil moving again' on a policy of accelerated development above all. This group's standard-bearer is ex-President Kubitschek, who has undertaken to concentrate, should he win the 1965 election, on developing agriculture, strengthening the infrastructure, and eliminating inflation.
6. The last group, the most conservative, is strong among business men, the professional classes, and landowners, mostly of the UDN party, though including some of the PTB and PSD. Their call is for less State intervention in the economy, for a pro-Western foreign policy to supersede the present 'independent' line, and for a greater standard of probity in government. Their leading public figure is Sr Lacerda. The *Açáo Democrática Parlamentar*, the moderate rightist inter-party group in Congress that opposes the *Frente Parlamentar Nacionalista*, is composed mainly of members of these last two groups.

At first sight there would appear to be little difference between the policies of Srs Lacerda and Kubitschek and between the groups they lead. Both are declaredly anti-communist and believe in enlisting foreign capital to help Brazil's development. Both are in favour of the principles of the Alliance for Progress, though Sr Kubitschek in his recent report to the Organization of American States expressed considerable reservations regarding the execution of this project. Both men appear generally to be democrats of the Centre, allotting to private enterprise its rightful place in the economy, admitting the need for structural reforms within the framework of the country's democratic institutions, and definitely supporting the cause of the West in the current world ideological conflict. Here the resemblance ends, however: to appreciate the essential difference between the two it is necessary to refer to recent Brazilian history.

Sr Kubitschek is recognized as one of the two heirs of President Vargas (the other is Sr Goulart), who ruled Brazil as successively provisional president, dictator, and constitutional president, for all but five of the

twenty-four years between 1930 and 1954. Vargas began the modernization of Brazil, with heavy emphasis on the use of State enterprise and with a rather one-sided concentration on industry at the expense of agriculture; at the same time he introduced an advanced labour code which has since been criticized as somewhat of a hindrance to efficient industrial and commercial operations. He also created several Government-financed trade unions that have given an extremely high standard of living to a few privileged groups of workers, and in general have not been remarkable for their responsibility. Vargas created two political parties: the Social Democrats, led by his son-in-law Sr Amaral Peixoto, which embraces mainly the rural proprietors, the urban middle classes, the public servants, and the unorganized workers; and the Labour Party, led by his protégé Goulart, said to be 'welfare socialist' modelled on the British pattern, to accommodate the organized urban workers as an adjunct to the trade union movement. These two parties have ruled Brazil together ever since the fall of the Vargas dictatorship in 1945, except for two short intervals; there can be no doubt about the material progress achieved under their rule but there has been much criticism of the growth of administrative corruption and the ineptitude of many of the State enterprises created during the period. The basic philosophy of the Vargas system, continued in their different ways by Kubitschek and Goulart, can best be summarized as State paternalism.

Sr Lacerda, on the other hand, is the spokesman of a sector of opinion that repudiates completely the Vargas tradition. His party, the *União Democrática Nacional*, has always been a moderately rightist party—it is one of the very few in Brazil with some ideological content—devoted to liberal democratic institutions, the defence of private enterprise, and the eradication of corruption in the public administration and State enterprises. Lacerda was himself involved in the events leading up to the suicide of President Vargas in 1954 and also in those that ended with the resignation of President Quadros in 1961: the heirs of Vargas and the *Janistas*, in a country so devoted to political personalities as is Brazil, find this hard to forgive.

The Vargas tradition

Thus, nine years after his death, the figure of Vargas still influences Brazil. The moderately rightist forces led by Kubitschek and Lacerda are strongly divided by their respective espousal and repudiation of the Vargas ethos. The groups nearer to the Centre, the ex-*Janistas* and the Christian Democrats, repudiate the dark side of the Vargas legacy but recognize the value of much of his work for the poorer classes, and even Lacerda, Vargas's bitter opponent, has to say nowadays that he was no enemy but merely the leader of a 'loyal opposition'. The left-wingers, communists, *fidelistas*, and 'negative Left' alike, have claimed the Vargas

tradition as their own, remembering his paternalism but forgetting his emphasis on national discipline and his undoubted and clearly expressed hatred of communism. And to the working classes, voters and non-voters alike, he is still little short of a god.

From the foregoing it is plain that there are several currents of opinion that would not gladly support either of the two declared candidates for the Presidency in 1966. Though the achievements of his presidential term are undeniable, Kubitschek is held largely responsible for the current inflation, through having initiated massive development programmes with insufficient resources, and the various administrative scandals of his Government are not forgotten. On the other hand, Lacerda is far from universally admired, in spite of his fruitful activities as Governor of Guanabara: he is regarded as somewhat of a firebrand in politics, unduly favourable to foreign capital, inimical to State enterprises such as *Petrobrás* which generate a lot of patriotic feeling, and as rather unstable, though an honest and skilful administrator. As an alternative, the leftists have proposed the candidature of Governor Miguel Arrais of Pernambuco, who is openly sympathetic to revolutionary designs in the north-east and would undoubtedly gain from the passing of the proposal now before Congress to enfranchise the illiterate. Under the present franchise it is recognized that no representative of the extreme Left is likely to become President: he might well triumph in the north-east and in Rio de Janeiro but would be defeated by the massed voting power of the more moderate and prosperous states in southern Brazil. However, the introduction of the '*cédula única*' or single ballot paper, which is due in time for the next presidential election, may significantly reduce illicit electoral practices in the interior of Brazil, which it is agreed benefit the Right more than the Left.

If the 'positive Left', the Christian Democrats, and the *Janistas* could find a candidate with a moderate, progressive, and financially prudent programme and also the quality of leadership—and this is psychologically important—his chances are deemed promising. Names that have been mentioned include Governor Magalhães Pinto of Minas Gerais, Sr Carvalho Pinto (Minister of Finance), General Dantas Ribeiro (Minister of War), Deputy San Thiago Dantas (ex-Minister of Foreign Affairs and of Finance), and Governor Ney Braga of Paraná. It is believed that President Goulart might support a candidate of this type, as his experience of administration is thought to have brought him more to the Centre and away from his former position on the extreme Left. Sr Quadros showed in 1960 how strong was the desire for a change, and though he still has a personal following despite his resignation in 1961, it is rather the forces he represented than this following which carry political weight today.

There is very little agreement between the various currents of opinion

as to the best means of tackling the economic situation. The extreme leftist groups blame the whole situation on foreign interests, which they accuse of exploiting Brazil's natural resources and of artificially depressing the international market prices of her export commodities. Supported by powerful leftist organizations in the trade unions (the *Comando-General dos Trabalhadores*—CGT) and among students (the *União Nacional de Estudantes*—UNE), the 'negative Left', with communist help, is conducting a violent campaign in favour of the 'basic reforms'—agrarian, administrative, urban, fiscal, and banking—requested from Congress by the Government, and is adding its own demands for the expropriation of foreign banks, privately owned oil refineries, airlines, and the motor, shipbuilding, and pharmaceutical industries. The moderate groups are concerned to pass the 'basic reforms' programme, increase exports, and secure the co-operation of employers and workers in restraining the inflationary spiral.

The '*desenvolvimentistas*' ('developmentalists'), led by Kubitschek, see salvation in the resumption of the policy of accelerated development favoured by their leader when President, and seem to feel that if a high rate of expansion is achieved and the return of foreign capital encouraged (they imply that they would amend the Profit Remittance Law to bring this about) the other problems would right themselves. The Lacerda group seeks also to increase exports, but their chief approach would be the reduction of Government expenditure and the encouragement of private enterprise to take over the industrial leadership role which Governments, both Federal and state, are tending to assume. The possibility that this policy might lead to a fall in the rate of development seems to be accepted by this group as a necessary price for placing the economy on firmer foundations. It appears also that Lacerda, if elected, would seek the repeal of the Profit Remittance Law and allow the rate of exchange to find its own level. As for Brazil's controversial 'independent' foreign policy, both Lacerda and Kubitschek would, it is believed, modify the present 'neutralism' in a pro-Western direction: this is not the least of the reasons why the two current presidential candidates encounter resistance from both the Left and the *Janistas*.

Present deadlock

At present the balance of political forces seems to be inhibiting any firm action on the main problems besetting the country. Apart from the innate difficulty for the Government in promoting remedies that might harm the working class, even though only temporarily, the membership of Congress is divided almost equally between the *Frente Parlamentar Nacional* on the Left, the *Ação Democrática Parlamentar* on the Right, and the Centre groups. The division by party shows the Social Democrats as the largest party in both Houses, with the PTB and the UDN in

close second and third places: the Government, which is supported consistently only by the PTB and part of the PSD, with members of some of the smaller parties, has to appeal to many members who are not its habitual supporters when it wishes to get a Bill passed. In addition, the support of the left wing of the PTB and its allies in the 'negative Left' is now doubtful as in their opinion President Goulart and his Government (a coalition including four members of the PSD and several independents as well as representatives of the PTB) have swung too far to the Right. There is a large moderate-to-right majority in Congress but it does not usually reach the two-thirds majority necessary for constitutional reform or to override a presidential veto on legislation.

This deadlock is exemplified in the case of the Government's agrarian reform proposals, which the majority opposes because they contain a provision for the amendment of the Constitution to allow payment for land expropriated for 'social interest' to be made in long-term bonds instead of cash. The moderates have pointed out that, in the present inflationary situation, payment in long-term bonds would almost amount to confiscation unless there were some sort of constant value clause in the bonds, which the Government does not seem prepared to concede; on the other hand, President Goulart has stated that he will veto any Bill that does not provide for the constitutional amendment.

It is far from clear at present how the deadlock is to be resolved, though the need for decisive action was never more urgent. The President seems to be the prisoner of his own past as a labour leader, and his actions towards the rehabilitation of the economy are considerably inhibited by his growing, and on his part reluctant, estrangement from his old associates. There is no doubt that Brazil contains enough technical and economic expertise to prescribe remedies for the present troubles, but these remedies are always painful for a developing country with little in the way of property and prosperity to form the necessary basis for the needed retrenchment.

It is possible that a president less dependent upon wide-Left support might be able to take some effective action. Meanwhile, however, President Goulart's term still has two years to run and the current favourite to succeed him, Sr Kubitschek, has a record of 'expansionism' which hardly suggests that he would favour retrenchment. But Brazil's well-known habit of finding pragmatic solutions and the quite remarkable patience and resilience of her people combine with the country's huge untapped potential to cast some light into the shadows which overcast the immediate future.

The travails of OPEC

GEOFFREY DRAYTON

In February 1959 the oil companies operating in the Middle East reduced the prices at which they offered crude oil for sale at Persian Gulf ports. In August of the following year these 'postings' were again cut. As a consequence of this second reduction, the Organization of Petroleum Exporting Countries (OPEC) was set up.

It was not unreasonable that the Governments of the Middle East producing countries should have been concerned at the fall in postings, since their oil revenues were (and, in general, still are) set at 50 per cent of the companies' profits as calculated by these advertised prices, to be paid partly as royalty (usually 12½ per cent of the price) and the remainder in the form of income tax. Nevertheless the postings, over which the oil companies claimed control by virtue of their functions as commercial enterprises, if not of their concession agreements, had not previously been a bone of contention. In their demand for higher revenues, which had become insistent and self-conscious after the Suez Canal crisis of 1956–7, the Middle East Governments, led by Sheikh Abdullah Tariki, Minister of Petroleum Affairs in Saudi Arabia, had tended to think less in terms of a higher price than of obtaining a larger share of the profits on production, or else a share in the total profits made by the companies at every stage of operation, all the way from the well to the service station, wherever in the world the final product might be sold. On this latter score the companies had yielded no ground at all, but certain new concessions granted in the area during the period 1956–60 did depart from the fifty-fifty profit-sharing principle. A Japanese company offered 56 per cent to Saudi Arabia and 57 per cent to Kuwait, and the Italians established a company owned jointly with the Iranian Government, which, by virtue of profit-sharing and of half-ownership, secures 75 per cent of the profits.

Concerned as the Middle East Governments were with profit-sharing, the setting-up of OPEC on a price issue indicated that the motive spirit behind it was not Middle Eastern at all—even though Iran, Iraq, Kuwait, and Saudi Arabia were present at the meeting in Baghdad in September 1960 at which OPEC was conceived. The fifth, and dominant, member of the embryo organization was Venezuela. The fifty-fifty profit-sharing arrangement first operated in Venezuela. It was also in Venezuela that the principle was first infringed, when, following the overthrow of the Pérez

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Jiménez dictatorship in 1958, the Government of Rómulo Betancourt imposed higher and progressive tax rates on all industries in the country, including the only industry of any real importance, oil. The companies protested at a measure, unilaterally adopted, which effectively raised the Venezuelan Government's share of profits from half to two-thirds. The action was, however, defensible in terms of the companies' concession agreements, which further differed from Middle Eastern agreements in that Venezuelan royalty (in general 20 per cent) and income tax were calculated on *realized* prices, not on the prices posted at the point of export. In the circumstances in which the world oil industry found itself in the late 1950s, it was a matter of prime concern to the Venezuelan Government that there should be no erosion in Middle Eastern prices, since this could not fail to undermine its own attempts to keep up Venezuelan realizations.

The circumstances which culminated in the reduction of Middle Eastern postings in 1960 were briefly as follows. The Suez Canal crisis had encouraged France to intensify her search for oil in the Sahara, while the growing difficulty of finding new oil in the United States—and the small profit to be obtained from so doing, compared with what the large international companies were earning abroad—had prompted several dozen of the smaller American firms to look for oil in foreign fields. A number of them, in fact, found oil, as did the government-sponsored organizations in the Sahara. It was the French Government's policy to exploit these Algerian supplies to the full as soon as possible; meanwhile, the U.S. Government, to protect its domestic industry, imposed restrictions on imports of foreign oil.

The world thus suddenly found itself able to produce an annual volume of oil which, rapidly as demand was increasing, exceeded the most optimistic forecasts of what consumption was likely to be in six or even ten years' time. In some instances, the oil was owned by newcomers to the international scene whose limited financial resources required them to market it as soon as possible. This situation of excess capacity was not helped by the fact that the U.S.S.R. now began to re-emerge as a significant exporter, willing, for political as well as economic reasons, to barter or sell her oil at a substantial discount from Middle East postings. It soon became general practice for the newcomers also, together with some of the longer-established companies who lacked adequate refining and marketing facilities now that their oil was shut out of the United States (the two groups together are generally known as the 'independents'), to sell their crude oil at sizeable discounts, ranging from 15 to 30 per cent below postings. The oil-importing countries who had no stake in Middle East oil (and in the dividends which the operating companies transferred home) were quick to take advantage of these opportunities for cheaper oil. In particular, the under-developed countries, faced with a

perpetual shortage of foreign exchange, demanded that the major international companies should match the prices offered by the Russians and the independents.

In competing with this glut of oil, Venezuela was at a disadvantage. Not only were the companies' operations less profitable there than in the Middle East, but the Betancourt Government had also created a national oil company and announced that no additional exploration acreages would be granted to foreign concerns. Moreover, the Ministry of Mines and Hydrocarbons had set up a Co-ordinating Commission for Conservation and Commerce, whose function it was to examine the oil companies' offerings of Venezuelan oil on world markets and refuse permission for the tenders to go forward at prices which it regarded as too low—'too low' being, in general, any discount from postings greater than 5 per cent. As a result Middle East oil moved into markets that were naturally Venezuela's—into Uruguay, for example—and, while Venezuelan production was rising by only 3 per cent a year, output from Middle Eastern countries continued to increase by between 10 and 20 per cent. Venezuela was, in short, bearing the brunt of all the new oil that had been discovered.

Hence the leading role played in the formation of OPEC by Dr Pérez Alfonzo, the Venezuelan Minister of Mines and Hydrocarbons. Starting from the contention that its 'members can no longer remain indifferent to the attitudes hitherto adopted by the oil companies in effecting price modifications', OPEC was, in its initial stages, preoccupied with the possibility of imposing production controls on the companies. By prorating supply to demand, it was anticipated that posted prices might be restored to the levels which had prevailed prior to 9 August 1960. Subsequent increases in demand would be met by allotting to each country a percentage increase in its production over the previous year's volume. The members of OPEC did not appear to be disturbed by the fact that this policy involved the establishment of a world-wide cartel to increase oil prices by creating an artificial shortage. In fact, Dr Pérez Alfonzo had even determined the extent to which prices would be forced up—namely to a level that would just undercut the price of alternative fuels (coal initially, nuclear power eventually) and enable oil production to continue expanding by sizeable annual increments.

Precise as this sounds, and difficult as it would have been to achieve in view of the fact that OPEC did not control all the exportable oil in the world (the notable exceptions being Russian and Canadian oil), and also by virtue of the variety of crude oils, of coal prices, and of national energy policies involved, a far greater difficulty presented itself. What basis was to be used in calculating the permitted annual increments in the production of individual countries? Kites were flown at various oil symposia and possibilities examined in private conference. Should the increases be apportioned according to the volume of oil reserves which each country

possessed? Or according to some historic principle? How were new producers, such as Algeria, Libya, and Nigeria, to be accommodated? Should large producers like Kuwait, with her minute population and vast oil revenues, be permitted to continue increasing output at a rate equal to that of, say, Iran, with her immense population and backward economy? No solution was found for this problem in spite of a variety of ingenious suggestions. Meanwhile, by February 1961, a secretariat for OPEC had been set up, three studies of the profitability of the international oil industry commissioned from independent consultants, and the process of establishing a headquarters at Geneva for research and the gathering of information set in hand.

By the time the fourth OPEC conference was held in Geneva, in April–June 1962, the direction of the organization's thinking had visibly undergone a change. The resolutions adopted at that conference said nothing whatever about pro-rating of oil production. The nearest approach to that concept was a recommendation to the Governments of member countries that each should create 'a body entrusted with fulfilling, in the appropriate manner, functions similar to those of the Venezuelan Co-ordinating Commission for the Conservation and Commerce of Hydrocarbons'. In any case, this proposal was eventually dropped. Neither it nor the subject of pro-rating was included in the explanatory memoranda which accompanied official publication of the main resolutions passed at the conference. In brief, the organization, headed now by a permanent Secretary-General, Mr Fuad Rouhani, a director of the National Iranian Oil Company, was firmly under the thumb of the Middle East countries and inclined to their mode of thinking. As in the old days when Sheikh Abdullah Tariki had fulminated against the excessive profits made by the companies, OPEC's Middle East members were entirely concerned with transferring part of these profits from the companies' pockets to their own.

In three resolutions OPEC called for a return of prices to the pre-August 1960 level, for royalties to be treated as a cost instead of being set off as a credit against income tax, and for the elimination of any contribution by the host Governments to the marketing expenses of the companies. The first resolution was an inevitable one by virtue of the role that prices had played in OPEC's formation. It was accompanied by a suggestion that the price of crude oil should be linked to an index of the prices of goods which the member countries needed to import. To the Venezuelans this resolution still contained the essence of the matter, though deprived now of any backbone, in the form of proposals as to how the price rise was to be effected. Pro-rating, if it could have been achieved, would have enabled prices to be lifted to their former or any other chosen level. Without pro-rating, or some system for relating supply to demand, postings were shown to be exactly what every student of the oil industry

had long known them to be, completely unreal prices, useful only as a means of calculating a profit-split which, in view of the prevalence of discounts that the companies had to bear out of their own half-shares, was, anyhow, probably nearer sixty-forty than fifty-fifty. The oil companies would not have been—and still are not—in the least averse to higher crude-oil prices. In that respect their interest lies very much in the same direction as that of the producer Governments. But they are not willing to bear any larger differential between posted prices and the prices which they can actually obtain in competitive sales, particularly in view of the fact that the profits on what are called 'downstream operations', that is, refining and marketing, have been drastically cut, and in some countries cut out altogether, during the past two to three years.

An accommodation was reached on the third resolution. In discussions between the Iranian Operating Companies and the Iranian Government and between the Arabian American Oil Company and the Saudi Arabian Government, the marketing allowance was reduced to half a cent a barrel. These agreements—arrived at directly with the Government concerned, and underlining the fact that the companies did not recognize OPEC as a negotiating body—will eventually be generalized throughout the Middle East (there was never any allowance for marketing costs in Venezuela), and will add about £4½ m. a year to the oil revenues of those countries, which, on present production, amount to about £500 m.

It has been estimated that implementation of the second resolution, whereby royalty would become a prime cost to the companies instead of being part of the fifty-fifty profit-split, would involve payment of an additional £70 m. a year to OPEC's eight members (Qatar, Libya, and Indonesia having subsequently joined). This, together with the first resolution, would cost in the neighbourhood of £120 m. Understandably, the oil companies were in no hurry to gather round a negotiating table when there seemed to be so little basis for negotiation. The state of the market, they said (but, again, not directly to OPEC), did not justify higher postings, and the overall profitability of the industry did not warrant larger payments to the host Governments—both true statements, the relevant word in the latter contention being 'overall'. At the fifth OPEC conference, held in Riyadh in November last year, the organization once more called on the companies to appoint negotiators, and spoke darkly of measures to achieve its members' objectives unilaterally if the companies failed to co-operate. By April this year there had still been no response from the companies. On 1 July Mr Fuad Rouhani stated that 'the consultative meeting which was held here last April came to the conclusion that this did not mean that a deadlock had been reached. It was considered advisable to give the companies a further opportunity of reconsidering their attitude.' The deadline was advanced until November.

At this point it was clear to observers that the whole future of OPEC hung in the balance. It had either to demonstrate that it was not bluffing or to accept the role for which the oil companies had already cast it, that of a clearing house for information among host Governments. Perhaps realizing this, the eight member Governments announced in August that they had appointed Mr Fuad Rouhani to negotiate the royalty question with the oil companies on their behalf. The ball was thus thrown squarely into the oil companies' court, since sovereign States may be presumed to be at liberty to appoint whomever they wish as their mouthpiece. The eight major companies who, with a number of American independents, make up the Iranian Consortium countered by agreeing to meet Mr Rouhani in London on 16 September. However, as they were quick to point out when OPEC claimed vantage point, they were meeting Mr Rouhani in his role as a representative of the Iranian Government, and in their own role as members of the Iranian Consortium. Legally, OPEC still had no existence in their systems, according to which a concession agreement was drawn up between a Government and a company and collaboration between companies might run foul of American antitrust legislation.

The choice of the royalty rather than the price issue for negotiation nearly brought into the open the strife within OPEC itself. Pointing out that so far in 1963 Venezuela's production has risen by only 2·9 per cent, compared with the Middle East's 13·2 per cent, Dr Pérez Alfonzo criticized the Middle Eastern countries for making no attempt to institute production controls and for being satisfied 'with just the income resulting from exaggerated production increases'. In this situation, it was hinted, association with other producing countries did not benefit Venezuela. At a subsequent press conference, called to correct the impression of discord created by these strictures, Dr Pérez Alfonzo significantly added that he hoped that by the end of the year the member countries of OPEC would be able to reach a greater degree of agreement on the general lines of the organization's policy.

This real but, even at this moment, unadmitted diversity of interest among OPEC's members (a diversity that will be enhanced if the organization succeeds in its current attempts to enrol Algeria, Colombia, Nigeria, and Trinidad) is one of the oil companies' weapons. The Middle East countries have apparently come to the conclusion that world prorating of output is either impossible or invidious. They can also point out to Dr Pérez Alfonzo that, whereas Venezuela's royalty and income-tax provisions secure her an average of 85–90 cents a barrel on production, they obtain only about 70–75 cents. First things first, therefore—namely, the royalty issue. Conversely, they might argue that the oil companies' profits on Middle East oil are far greater than on Venezuelan oil, and they therefore see no reason why the companies, because of a mistaken

conception of security, should fritter away these profits by exploring for higher-cost oil here, there, and everywhere in the world.

It is an article of faith with the oil companies that they should not have to rely for their supplies solely on the Middle East, where neither political nor economic stability prevails and where, experience has shown, the granting of one set of demands merely leads to the presentation of new ones. The Governments of Western Europe, even those who look back at the Suez Canal débâcle only to deplore it, subscribe equally strongly to this fear of dependence on the Middle East. This fact—apart from their preference for being able to play off one producer Government against another—is one of the reasons why the oil companies are unwilling to recognize OPEC as a negotiating body. The Governments of Britain, the European Economic Community, and the United States are most unlikely to sit with arms folded while, between them, OPEC and the oil companies arrange the supply and terms of supply of so vital a commodity as oil. The companies, on the other hand, already cramped in their operations by government intervention, do not relish the prospect of being squeezed by the representatives of producer Governments on one side and of consumer Governments on the other, into a space too small even for wriggling. The individual citizen, surveying present possibilities for friction between Governments the world over, may also be inclined to reflect that oil has caused more conflagrations than ever it calmed ruffled waters.

The problem Protectorates

THEODORE BULL

WHAT sort of future can Britain offer to her lonely Southern African Protectorates? Full independence for each; an association of territories; perhaps, in the long term, membership of an African-run (or even a multiracial?) Federation of South Africa? Regardless of the ultimate outcome, the Protectorates face an immediate future in which, however little she may relish the prospect, Britain must play a major part. She is in no enviable position, for the territories are not rich nor are they economically self-sufficient. Indeed, they are largely integrated in the structure of the South African economy. Yet political advancement is in a direction wholly alien to South Africa.

Britain's aim at present would seem to be to bring the Protectorates in-

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dividually via internal self-government to a semi-independent status on the basis of universal suffrage. She seems prepared, even anxious, to move fairly fast. Whether she envisages herself remaining the guarantor of the Protectorates' freedom is not yet clear: a small resident United Nations police force might offer a satisfactory guarantee. In any case despite Dr Verwoerd's recent offer, there is bound to be an interim period when each Protectorate is wholly or partially independent. In view of this however important such matters as extradition or overflying rights or border control may be, the most important question in relation to the Protectorates is: 'What preparation is Britain making for their full or partial independence?'

In terms of constitutional advance she is not doing badly. Basutoland's new Constitution should have been made public by the end of this year, and it is virtually certain that genuine majority rule will be introduced. A new Constitution for Bechuanaland is now under review, and there seems no reason to doubt that an average speed of constitutional progress will be maintained. In Swaziland the 10,000 or so settlers form an important power group, the political parties are still young and ill-developed, and there is an old, and old-fashioned, Paramount Chief who retains a very considerable personal hold on his people. These things considered, the new Constitution, which should come into effect later this year, is a reasonably progressive start.

In terms of material advance Britain's record is a good deal more uneven. Swaziland, for instance, presents an image of increasing prosperity, even of boom. The position may be summarized as follows. There is a population of roughly 280,000 Africans and 10,000 Europeans. Probably no more than 10,000 Africans are involved in the cash economy; the remainder, with the exception of some 12,000 who are at work in South Africa, are still on the land, working mainly on a subsistence basis. The country is 6,704 square miles in area. Of this 52 per cent is held by the Swazi nation communally, and only ½ per cent (22,384 acres) by Swazis with individual tenure.

A variety of industries are going ahead fast, and the Commonwealth Development Corporation deserves much of the credit for this. Since 1948 it has spent or committed about £20 m. This has been, or is being, spent mainly on the Swaziland Irrigation Scheme (largely for sugar and in partnership with Huletts), on afforestation and wood pulping (in partnership with Courtaulds), on a pioneer fruit-canning factory, on a publishing company to help finance newspapers for Africans, on the development of the Bomvu Ridge iron ore deposit (as a junior partner with the Anglo-American Corporation), and on the railway which is being built to carry this ore. The iron ore development is by far the most significant; the country's present export revenue (£6·7 m. in 1961) will be boosted by 60 per cent as a result of it.

In addition, sometimes in conjunction with C.D.C., a wide range of development has been sponsored by other concerns. There has been a major afforestation programme in which Peak Timbers, part of the Anglo-American group, has played a large part. £1·7 m. is being spent on a hydro-electric scheme. The International Development Association has made a fifty-year interest-free loan of £1 m. for road construction. Asbestos mining has declined somewhat but exports remain around the £2½ m. mark, and this still tops the export list. Sugar production in particular has increased, but other agricultural products—beef, rice, pineapples, and citrus, for example—are also on the up and up. In short, the pattern of material development achieved and projected in Swaziland is impressive, and the Commonwealth Development Corporation deserves much credit for its pioneering work. It should be added that much of the development has been financed by South African capital, and made possible by South African skills.

The major flaw in this rosy picture is a simple one. The state of education is pathetic: technical or industrial training barely exists. According to UNESCO, Swaziland has a higher rate of illiteracy than any other country in Africa. This view is quoted in an article on education in the Swaziland Supplement to the *Financial Mail*, of Johannesburg, dated 2 November 1962. Every other article in the supplement is filled with useful statistics, but significantly, in the article 'Education for a Non-Racial Society', the only figures mentioned are the education estimates for 1962–3 and the total number of Swazi and European Schools.

The article claims that 'the government and mission schools continue to give children of all races a sound conventional education from primary to high school. The trade school and the agricultural training schemes take care of the technical side of schooling.' Unfortunately almost every available fact denies this. In his 1962 Report the Director of Education only *claims* that 60–65 per cent of African children of school age are attending school. The standard of teaching in African schools is of exceedingly poor quality, as is shown by the examination results at all levels. The Standard VI examination, taken after eight years of primary schooling, is the key to entry to secondary education. In 1962, of the 1,682 entries 45·5 per cent failed, and only 37 per cent were in the 1st or 2nd class and could reasonably undertake a secondary school course. In the Junior Certificate, taken after three years of secondary schooling, the 1962 results show that out of 290 African candidates 116 failed the English paper. In secondary schools English is the sole medium of instruction.

The situation at Matriculation level—the point of entry to the University College at Roma, Basutoland—is even more ludicrous. In 1962, including external students there were twenty candidates, of whom two got a 2nd class pass, eleven a 3rd, and seven failed. It is worth noting that the number of candidates sitting the Matriculation examination—let

alone passing it—in African schools increased between 1957 and 1962 from fifteen to eighteen. This is perhaps the most damning figure quoted in the article.

The *Financial Mail* Supplement said not only that 'the government and mission schools continue to give children of all races a sound conventional education from primary to high school.' It further claimed that 'the trade school and the agricultural training schemes take care of the technical side of schooling.' The actual position is as follows. In agriculture there are two departmental training centres to provide elementary training for agricultural demonstrators and veterinary cattle guards; these have twenty-three and nineteen students respectively. In his 1962 Report the Director of Land Utilization wrote:

> For a considerable time it has been realized that the training facilities available at both these centres are inadequate. . . During the year plans were drawn up for the establishment of an Agricultural College and Short Course Centre to provide agricultural education to recognized diploma standards and to permit the holding of short courses. . . The United Kingdom Committee of the Freedom from Hunger Campaign . . . very generously agreed to undertake to provide the capital costs . . . and . . . the recurrent costs for the first three years.

It is less gratifying to record that attempts to raise this money from British Government sources, for a dependency in which 95 per cent of the people are in subsistence farming, were wholly unsuccessful.

The position of technical and trade schooling is still worse. There is no technical education at secondary level. A proposal to start a technical stream in one of the secondary schools has been shelved. The only trade training is provided by one Trade School which provides a three-year course, for an intake of twenty-five per year, in building, carpentry, motor mechanics, and electric wiring. Those who complete the course have their apprenticeship period reduced. In view of the rapid development of the country, the scale of the Trade School is plainly too small. And not only is the scale too small. Although there are already four factories employing fitters and turners, the school provides no training in this trade; it is apparently too expensive. The school is very much understaffed, and morale among the teachers is low. To crown its record of carelessness for the progress of the Trade School, the Government requisitioned virtually its whole premises as barracks for British troops when they were flown in in June. In mid-August it was still occupied by troops, and probably still will be at the time of publication of this article. The school cannot re-open until the troops leave. (Perhaps to show that there was no racial discrimination the premises of St Mark's (European) Secondary School were also taken over, but there half the boys have been allowed back.)

The placing of African apprentices in a society whose ideas on African

advancement are more South African than British is not easy, and unless they are satisfactorily placed trade training can make little real progress. The Government is willing in principle to cut back the immigration of Portuguese artisans in order to give opportunities to Swazis. There is, however, no prospect of this being effected until a Government officer in charge of apprenticeships is appointed. Such a post was advertised many months ago but no appointment has been made as yet; the possibility of raising the salary offered would presumably meet with the Treasury's sternest disapproval. Six Africans are enrolled for clerical training in Swaziland schools—three boys and three girls.

If both the present progressive trend in politics and the present inadequacy of educational and training facilities continue in Swaziland, a wholly inexperienced Government, with most probably an understandable chip on its shoulder, will, in a few years' time, inherit a comparatively developed economy. Virtually all positions of responsibility and skill in both commerce and industry will be held by Portuguese, by white South Africans, and by black South Africans. (The latter, unhappily, are looked upon by most Swazis as foreigners, and as a threat to be resisted.) The political significance for Britain of such a situation cannot be overestimated. Her position in the Protectorates is almost the reverse of her position elsewhere in Africa in that it is politically almost impossible, rather than politically necessary, for her to withdraw. She will have to live with the consequences of her actions—particularly with the consequences of inadequate education and training. These are likely to be felt in a number of ways. To take Swaziland once again as the most striking example:

1. The costs of industry will be inflated for an indefinite time while it continues to be necessary to import expensive skilled labour.
2. Swazi Africans will not gain any understanding of the position of industry in the economy since none will be taking part in industry at a level of any responsibility. This will have most unhappy political results.
3. When Swaziland has majority government the resentment of the workers against management and skilled labour will find expression. This is likely to have a disastrous effect on the whole economy. It is far from fanciful to think that such an upsurge might lead to a major breakdown in Government.
4. The Swazis will increasingly lose trust in the British and their administration, with results which may be expected.
5. With the increasing Africanization which is bound to accompany the advance towards majority government, the efficiency of the administration will slump drastically, for there will be no educated —let alone experienced—men to draw upon.
6. The already strong tribalism of the Swazis will, with the arrival of

increasing numbers of skilled Africans from South Africa, feed and grow on jealousy, and will continue to be deprived of the tempering influence of responsibility in a modern setting.

7. If a deterioration on anything like the scale suggested does occur, the temptation to South Africa to step in will become exceedingly strong. A 'Sarajevo' border incident would be most likely to occur, and could, in any case, be provoked if one were needed.

So much then for Britain's care in preparing Swaziland for self-government by means of education and training. I am not familar with the situation in Bechuanaland, but certain facts tell their own story. Enrolment in primary schools rose from 38,893 in 1961 to 54,547 in 1963, with a negligible extension of facilities; at one school 150 pupils are being taught by one untrained teacher. Comparable conditions exist at many other schools. The Cambridge Overseas School Certificate is taken at two schools; at one there were twelve passes out of thirteen entries, and at the other four out of fifteen, while in all only eight obtained passes qualifying them for admission to Sixth Form classes. The difficulty here is recognized by the authorities as being not so much one of buildings and equipment as of obtaining staff qualified to teach science, mathematics, and English at the required level. Of the total number of about 1,400 teachers nearly half are unqualified primary school leavers.

As a yardstick, it is worth noting that the population of Bechuanaland is about 300,000—roughly the same as that of Swaziland. It is, in contrast to Basutoland, for example, too small for the agricultural resources of this very large country to be fully exploited.

In Basutoland, largely because of a greater intensity of missionary work, education and training are rather more advanced. Arable land, however, is limited and the country is blessed with no mineral resources beyond a few diamonds, quite a lot of water, and a great deal of rock. The demand therefore for trade and technical training has not been acute, and the shortage of it, except in the case of agriculture, has not been too damaging.

Africanization of the civil service has proceeded at some speed, and there are now a few Africans who could take over top civil service posts without undue difficulty. Plenty of objections can of course be raised against the Basutoland educational set-up, but the situation is undoubtedly better than in the other two territories. In 1962 there were, for example, sixty-nine passes in the Cambridge Overseas School Certificate examination, representing an increase of over 100 per cent in one year.

There is only one industry in Basutoland which is capable of serious development, namely agriculture. As in Swaziland, the Department of Agriculture has had to beg for assistance from international agencies and even from private citizens overseas since the assistance approved by the Treasury has been so wholly inadequate. Even so, there is tremendous

ɜed for further investment in agricultural education, research, credit cilities, and so forth.

A warning of the possible course of events in Basutoland should be ɪunded. Something of the order of 200,000 or 250,000 Basuto, out of a ɪtal of perhaps 1 million Basuto who regard Basutoland as home, are at ork in South Africa. Already influx control applied by the South frican Government has compelled many Basuto to leave work and re-ɪrn to their home country. There is a strong chance that the bulk of those ɔmpelled to return will find neither adequate employment nor ade-ɪiate subsistence in Basutoland. There is indeed a prospect of a truly ɪassive unemployment problem. Not only is Britain liable to face a con-derable financial and administrative burden as a result, but such con-ɪtions could well give rise to demonstrations within the country and to ɪcidents on the South African border. This might happen in the normal ɔn of events. It certainly might happen if South Africa firmly puts the ressure on. It would be wise to be prepared.

One respect in which Basutoland is well in advance of the other terri-ɔries is in local government. The present system there is a compromise etween the traditional authorities, the British administration, and ɪodern political elements. It does not work very well, but with some ɪodifications it could do so, and it is, even as it stands, a gallant effort to ɪtroduce a system that can outlast colonial government. In Swaziland, y contrast, virtually no effort appears to have been made to establish ɔcal government on a modern footing. The senior civil servant respon-ible for local government has been put in charge of running the elections; his indicates, perhaps, the degree of importance attached by the Govern-ɪent to his portfolio. Even the tribal system of local government has allen into disrepair and many chiefly positions have long remained un-ɪlled. There is therefore a real danger of the whole system of local govern-nent collapsing at such time as popular self-government is achieved or he Paramount Chief dies. If both events were to occur about the same ime, the chaos might be appalling. It is not too late for at least a semi-nodernized system to be introduced.

In the three Protectorates Britain appears to have a political policy, but ɪeither the implications of that policy nor the implications of her present ctions seem to have been thought through. Many decisions are taken on he grounds that 'there isn't any money', and certainly this consideration nfluences policy most harmfully at every level. Yet no British Govern-nent official of any seniority appears to have looked at the overall inances of the territories with any positive intention—indeed with any ntention except to pare down their demands. Certain very inexpensive ategories of aid could be given. An inducement allowance for senior econdary school teachers is one example.

But more important than the extraordinary niggardliness in aid is the

apparent unawareness that such aid as is given could be used to stimulate local effort. If a territory wants more money, it asks the British Government which may or may not oblige; if not, it can always ask again next year. The thought of raising the money itself rarely occurs, and the claim that these territories are too poor to stand further taxation is a half-truth that has been traded on too long. There is surely a simple solution: to make financial aid conditional on the local effort of a territory. Of course conditions should not be uniform. For a particular scheme (or, if it is preferred, for the Budget as a whole), a firm undertaking should be given by Britain to give assistance in a fixed ratio to what is raised locally. This might, for example, be 10:1 for the capital cost of a hydro-electric scheme, but 1:10 for its recurrent costs. In this way the responsibility for decision could be put in large measure on to the Government of the territory, which is where it should lie. Such Governments will all in the reasonably near future be representative of the people, and only if they are given real responsibility in some such way as this can one hope that they will become responsible.

The age-old question of Transylvania

J. F. BROWN

VISITORS to Budapest between the two wars were more often than not shown an impressive series of statues representing Hungary mourning her lost provinces. Close by, in the same square, they were shown a large floral map of greater Hungary with different coloured flowers depicting these lost provinces. They probably left Budapest with the celebrated revisionist slogan '*Nem, nem, soha*' (No, no, never) ringing in their ears.

Of these several provinces lost to Hungary after the first World War, it was Transylvania which probably caused the most resentment and bitterness. After a thousand years of Magyar rule, it had been given to Rumania by the Treaty of Trianon in 1920. It was, said the Hungarians, a Magyar province by right, by tradition, and in its essential culture. And yet the undeniable fact had always been that there were more Rumanians than Hungarians in Transylvania and it was mainly because of this that the treaty-makers at Trianon, acting on the Wilsonian doctrine of self-determination, awarded the territory to Rumania.

Hungarians, of course, never attempted to deny that there was a

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Rumanian numerical majority in the province. What they did attempt to deny, with all the scholarly apparatus at their command, was that the Rumanians had been there before them. Scholars in Bucharest, for their part, deployed equally impressive scholarly equipment to urge the claim of Rumanian precedence, although, of course, they could not deny the thousand-year period of Magyar rule. The controversy has always been a fascinating one. It is also a complex one and it would take considerable temerity on the part of an outsider to say definitely which side has the better case, clear judgment being made all the more difficult by the nationalist emotion which has carried the controversy on to the political platform and almost on to the battlefield.

Very soon after occupying Transylvania at the beginning of the tenth century, the Magyars settled it with colonists to hold it against Asiatic invaders. These colonists were called Szekelers and their descendants remain in Transylvania to this day. Though officially classed as Magyars, they have developed a strong sense of individuality and have not always seen eye to eye with their Magyar kinsmen. In addition to these Szekelers there are in Transylvania the Magyars proper. At the last Rumanian official census in 1956, the total number of Magyars (including Szekelers) in Rumania was about 1,600,000, the vast majority of whom were in Transylvania.

In the period of Magyar rule, the Rumanian majority, almost all of whom were peasants—as indeed part of the Magyars were—suffered a number of serious political, cultural, economic, and religious disabilities which were not entirely removed until Transylvania passed to Rumania in 1920. After Trianon, the boot was very much on the other foot and it was the Rumanians' turn to discriminate against the Magyars. Administration of the province was strongly centralized in Bucharest, from which officials were dispatched to govern people whose language they neither spoke nor had any intention of learning. All local officials had to pass a Rumanian language test and there was much financial discrimination against the Magyar minority. In all fairness it must be said that the Magyars were allowed a good deal of cultural freedom and that they were not actively persecuted. But their bitterness was not hard to understand. For centuries they had not only dominated the Rumanians but also despised them; now they were subject to them. They became an angry, stubborn minority waiting for the day when the clock would be turned back.

That day seemed to have come rather earlier than many had a right to expect. By 1940 Rumania had been brought to a state not only of near chaos at home but of such international weakness that she became the target of territorial claims from almost every side. In June the Soviet Union brutally demanded, and got, Bessarabia and Northern Bukovina. Next Bulgaria demanded, and got, South Dobrudja, and at the same time Hungary also presented her bill. Hungary and Rumania were unable

themselves to agree on any settlement and were called to Vienna, where the Germans and Italians 'settled' the dispute.

By the Vienna Award of August 1940, Northern Transylvania including the capital city of Cluj, or Kolozsvar by its Magyar name, was given to Hungary. Hungary thus acquired more than a million Rumanians and thrust a deep wedge close to the heart of Rumania. For the Magyars the clock had been half turned back; for the Rumanians, coming on top of so many other humiliations, this was a blow which they could never forget. Both sides persecuted the other in the parts of Transylvania which they now held. By a tragic irony both sides were soon to become 'allies' against Russia, but the Rumanian bitterness was such that when some Rumanian soldiers, deep in the Caucasus, were asked what they were fighting for, they are reported to have replied: 'Transylvania'. Their wish came true at the end of the war, when all the allies agreed that Northern Transylvania should be given back to Rumania, partly as a reward for the considerable service rendered by the Rumanians to the anti-German cause after King Michael's *coup d'état* of 23 August 1944. Very soon, however, both Rumania and Hungary were to fall exclusively under Soviet domination and to become full-fledged Soviet satellites.

The theory now was that territorial disputes between nations as such were a thing of the past. Now that both Rumania and Hungary had Communist Governments, now that the workers and peasants ran the nation and the feudal and bourgeois classes had been routed, a divisive issue like Transylvania became both obsolete and irrelevant. Nobody, however, went so far as to say that it really did not matter who owned Transylvania; this would have pricked the bubble. As it was, the Rumanians owned it and it was they, or at least their Government, who were foremost in stressing that the problem was now over and that the era of good Hungarian-Rumanian relations was ahead. Speaking in Budapest at the signing of the treaty of alliance and friendship between the two countries in January 1948, Petru Groza, first the Premier and then the President of Communist Rumania and himself a Transylvanian, stated that the Hungarian element in Transylvania would now become a bridge uniting the two countries rather than a gulf dividing them.

The Magyar Autonomous Region

Despite the pious hopes of Groza, however, and the blanket refusal of Marxist–Leninist theory to acknowledge that difficulties could exist, it soon became obvious in practice that something had to be done in Transylvania to pacify the Magyars and to appease the Hungarian Government. Under the new political conditions, the Magyar minority possessed in the Communist or fellow-travelling Hungarian National Democratic Union (MADOSZ) an instrument of considerable influence. This organization had existed before the war and was revived and

strengthened shortly after the Soviet occupation. Almost certainly backed by Budapest, it began to press strongly for a semi-independent status for the Magyars of Transylvania.

The solution eventually decided upon was a typical Soviet one and was certainly imposed by the Soviet Government. In the July 1952 Constitution of the Rumanian People's Republic provision was made for the establishment of a Magyar Autonomous Region in Transylvania. This new region was modelled on several similar autonomous regions in the U.S.S.R. It should be stressed that it included only about one-third of the total number of Magyars living in Rumania.[1] It was specifically the Szekelers who were mainly included in the new region, most of their Magyar kinsmen remaining outside it. Therefore, while the Magyar-Szekelers who were affected by the reorganization almost certainly welcomed it as much better than nothing, the clear majority of the Magyars in Rumania were completely unaffected by it, and their resentment may only have been mitigated by the hope that some of the areas which they occupied might one day be joined to the new region. Possibly the Soviet Union wished to use this hope and perhaps also the threat of one day transferring control over the new region to Budapest as an instrument to ensure the good behaviour of both satellite countries.

Whatever may have been the motives behind the move, great efforts were made to see that the Magyar Autonomous Region became a showpiece of cultural autonomy and an example of the successful communist solution of the problem of minorities. Communist propaganda experts from Bucharest, Budapest, and Moscow visited the region to found centres of Marxist–Leninist study. There was a sustained drive to recruit young people for the Communist Party, accompanied by a campaign of terror to root out elements who might not be disposed to make the great experiment work. Physically the whole region was given something of a face-lift, shabby buildings repainted, street signs repaired, roads resurfaced. The Hungarian Government seems to have co-operated in these moves. It sent its own agitators, and some of the chief Soviet agitators seem to have visited both Bucharest and Budapest. Very few experiments in the last few years have begun with such effort and fanfare.

There is no doubt that the privileges or facilities which the Rumanian Communist Government has been prepared to give to its national minorities are impressive. Though the largest, the Magyars are far from being its only important minority. As late as 1956 there were still about 384,000 Germans and 146,000 declared Jews in the country, not to mention smaller groups of Ukrainians, Russians, Serbs, and others. All these groups are catered for in one way or another, but the Magyars, as the

[1] According to the 1956 census there were about 565,000 of them in the Autonomous Region; in the neighbouring regions of Cluj (Kolozsvar) and Brasov (Brasso) there were about 258,000 and 108,000 respectively.

biggest and most troublesome minority, have naturally got the largest share of the cake. For example, in an article on 24 July 1959, the Rumanian Communist paper *Scanteia* reported that, in the Magyar Autonomous Region, 80 per cent of the local councillors and 78 per cent of the local government officials were non-Rumanian, the vast majority obviously being Magyar. In 1959 there were also in the country as a whole forty-one Hungarian language periodicals (a number which has since reportedly been cut down, however). In education, apart from the very large number of Hungarian language schools, there was a Medical-Pharmaceutical Institute and an Institute of Drama at Targu Mures, the capital of the Autonomous Region, and an Institute of Plastic Arts and a Music Conservatory at Cluj, which had departments where teaching was done in Hungarian. Finally, there was the Hungarian 'Bolyai' University also in Cluj, where tuition was given solely in Hungarian.

With such facilities as these, together with the creation of the Autonomous Region in 1952, it was evidently hoped that the difficulties presented by the Magyar minority and by the Transylvanian problem generally would be solved in time. But the hope was proved an illusion four years later by the outbreak of the Hungarian Revolution.

The disturbances in October and November 1956 among the Magyars in Transylvania, which were inspired by the heroism of their compatriots at home, showed, first, that the Magyars in Rumania were generally as much against communism as were those in Hungary and, second, that most considered themselves to be Hungarians no matter what the colour of their passport, if any of them were lucky enough to have one. Neither of these two facts was, of course, surprising. Their opposition to a communist regime, especially one still of the Stalinist variety, need hardly be elaborated upon. As for their ethnic solidarity, it could not be expected that the particular privileges which they enjoyed would do other than strengthen rather than weaken their feeling of compact exclusiveness and of isolation from the Rumanian community. Very soon after 1956 the Rumanian leaders must have realized that they must move against this isolation which, ironically, they themselves had helped to buttress.

They acted with characteristic caution; they ruthlessly suppressed the disturbances and then only slowly let their policy take shape. Immediately after the crushing of the Hungarian Revolution, the Communist Party leader Gheorghiu-Dej and the then Premier, Chivu Stoica, visited Budapest twice, in November 1956 and in January 1957. They obviously had many things to discuss with the newly installed Kadar regime and one of them must have been the situation in Transylvania. One can guess that they impressed upon the new Hungarian leaders the need for them to renounce ostentatiously any claim to Transylvania and to denounce the defeated revolutionaries as chauvinists and crude irredentists. Because of his very difficult position at home, Kadar was not able to return these two

visits for over a year, but when he did so, in February 1958, he did just what his Rumanian counterpart had probably asked. Whether Kadar was sincere or not in his protestations is largely irrelevant. He could hardly act otherwise in view of the still shaky nature of his regime, the considerable economic aid given to him by Rumania after the revolt, and, above all, because of the now overwhelming desire of the Soviet Union for stability in East Europe after the upheavals of 1956.

Before taking any step of his own, Gheorghiu-Dej was obviously content to give the dust long enough time to settle. When he did decide the time was ripe, he turned his attention to that section of the Magyar community which had proved to be the most restless in 1956—the student body. That there had been considerable disaffection among the Magyar students was admitted by *Scanteia* in two articles in its issues of 16 and 17 October 1957. The Party daily denounced 'nationalism' and 'bourgeois chauvinism', as confessed by Professor Lajos Jordaky at a Party regional meeting in Cluj, the most important Transylvanian city and a centre of Magyar culture. The decision to neutralize the independent-mindedness of the Magyar students may, of course, have been due to an understandable wish on the part of the regime to assimilate the rising young Magyar generation and to force (and enable) them to play a full part in the life of Rumanian society. But in the context of the preceding events the decision to amalgamate the Hungarian 'Bolyai' University at Cluj with the Rumanian 'Babes' University in the same city was probably prompted by a fear of the continued and potentially dangerous exclusiveness of the future leaders of the Magyar community.

It was Gheorghiu-Dej himself who set the ball rolling in this direction. In a speech to the Rumanian Students' Association on 19 February 1959, shortly after his return from the 21st Soviet Party Congress, he accused various reactionary elements, 'these remnants of the exploiting classes', of trying to spread among the students and the youth 'some backward, nationalist-chauvinist ideas'. Having raised the problem in principle, Gheorghiu-Dej then typically left it to be taken up by subordinates. Two days later, at the same meeting, Professor Lajos Takacs, rector of the 'Bolyai' University, got down to specific points. He stated that nationalism was still persisting in the minds of some students and was manifested by a 'national isolation'. He concluded by questioning the wisdom and efficacy of having two separate universities at Cluj and requested 'our Party organs, our ministry, to think over the problem'.

After the meeting the subject was discussed throughout the spring at students' meetings in Cluj and Targu Mures. The decision to merge the two universities was finally announced on 3 July after a meeting of the professorial and student body had 'unanimously' approved the merger. (It should be stated here that at the earlier 'preparatory' meetings for the merger the press quoted many Hungarian students as warmly supporting

the move and, though these students were obviously hand-picked, it must be reckoned that some students would probably welcome a step which would ultimately give them a wider professional horizon than before.) It was also announced that the 'Petru Groza' Agricultural Institute in Cluj was to be reorganized, a statement which can be taken as meaning that lectures and classes would be combined.

At the newly constituted university the rector is the former rector of the 'Babes' University and two of the three pro-rectorships were given to Magyars. The most interesting aspect of the change, however, concerned the language of instruction at the university, about which the official announcement was suspiciously obscure. In the merged university there were to be six faculties instead of the previous five, the faculty of chemistry being added to mathematics–physics, history–philosophy, natural science, geography, and philology. The announcement, after saying that some courses would be in Rumanian, some in Hungarian, and some in both, then continued by saying that in the *pedagogic* (i.e. teacher-training) sections of the first five faculties mentioned above, instruction would be given in Rumanian and Hungarian. The implication seems to be that in all sections of these five faculties, apart from the pedagogic section, instruction would be in Rumanian only; at any rate it is certain that courses in Rumanian geography and R.P.R. history are being given in Rumanian. The 'social sciences' are apparently taught in both Rumanian and Hungarian and the Rumanian and Hungarian sections of languages and literature in the philological faculty are in the respective languages. The merging of the universities was reported to have been followed, as a logical step, by the steady merging of all but the largest minority schools with the Rumanian schools.

The picture which the Rumanian regime gave of the reaction to these educational mergers was generally one of enthusiasm shared by Rumanians and Magyars. But it is clear from a number of unofficial but reliable reports that there was actually considerable resentment on the part of some Hungarian students (and probably parents). For example *The Times* of 21 March 1960 quoted its Vienna correspondent as reporting that the merger had caused resentment both 'in the Hungarian minority and over the border'. Reliable reports had reached Vienna 'of long terms of imprisonment imposed on Hungarian students for chauvinist and nationalist activities'. The *Times*' correspondent went on to report that in Budapest even 'supporters of the Hungarian government have been known privately to express disquiet'. It was these events and the reported disquiet over them in Budapest which probably caused the spate of sensational reports, which appeared in the German and Austrian press, of serious conflict between the two Governments over Bucharest's policy in Transylvania. But, exaggerated though these reports certainly were, it was Gheorghiu-Dej himself who confirmed that all was not well

in Transylvania in a speech in Cluj, in March 1960, immediately before the publication of the *Times* report. Indirectly he referred to friction between Rumanians and Hungarians and, while he avoided blaming either side, he sharply attacked 'various theories with a nationalist character' which affected 'certain ideologically backward' men of culture.

This speech was made in preparation for the Rumanian Communist Party's third congress the following June, when the Rumanian professor Daicoviciu, rector of the combined 'Babes–Bolyai' University, painted a glowing picture of the whole educational situation in his university. He referred to Hungarian and Rumanian students living in the same hostels, eating in the same canteens, but each still learning in their own maternal tongues and getting along in complete harmony, 'conceived of the same powerful sentiment of love and devotion for the common socialist fatherland, the Rumanian People's Republic'. This was, of course, the Party line and it was grossly exaggerated but, despite the reports the previous spring of eruptions, one may assume that many of the Magyar students had settled down quietly or resignedly.

Whatever the real situation, the Rumanian Government evidently thought it timely to begin another cautious move towards the integration of the Magyar minority. It was announced in December 1960 that an administrative-territorial reorganization was on the agenda for the session of the Grand National Assembly due to meet later the same month. For some time it had been rumoured that the regime was planning a serious move against the Magyar Autonomous Region and this, most people thought, was it. The publication of the plan for reorganization, however, seemed to dispel any such apprehension. In fact the plan provided for a slight increase of both the population and the area of the region. Three districts were added to it from neighbouring regions while only two were taken away and added to the Brasov region. Economically and administratively the reorganization made sense and benefited the Autonomous Region.

But a closer look at the plan produced doubts, some of which were later justified. In the first place, the name of the region was changed from the Magyar Autonomous Region to the Mures-Magyar Autonomous Region. The change, of course, was slight and several other regions of the country had their names completely changed at the same time. But the tacking on of a Rumanian 'prefix' was almost certainly designed to make a dent in the notion of the region as being exclusively or compactly Magyar. This is confirmed by the elimination of the description, in Article 19 of the Constitution, of the Autonomous Region as a 'compact' Magyar-Szekeler group. Furthermore, the two districts of Sfantu Gheorghe and Targu Secuiesc, which were transferred from the Autonomous Region to the Brasov region (to which they had belonged before 1952), had heavy Szekeler majorities, while the three districts which were transferred to the

Autonomous Region from the Cluj and Brasov regions had Rumanian majorities. Thus the Magyar-Szekeler predominance in the Autonomous Region was weakened. The Rumanian population increased by about 80 per cent to 35 per cent of the total population and the Magyar population decreased by about 15 per cent to 62 per cent of the total.[a]

Rigid Rumanian censorship has prevented any reliable news of how this very quiet move was received by the Magyar minority. One can assume, however, that its subtlety did not deceive them for long. It certainly seems to have troubled the Hungarian Government in Budapest, for in the short period from the end of December 1960 to the early days of January 1961, that is during and immediately after the passage of the Reorganization Bill through the Grand National Assembly, no fewer than three members of the Hungarian Communist Party Politburo visited Rumania. They were the then Premier, Ferenc Munnich, the since ousted Gyorgy Marosan, who was known to be particularly interested in the Magyars in Rumania, and the Speaker of the Hungarian Parliament, Sandor Ronai. They came allegedly on holiday but more probably to be briefed and reassured. It is even possible that it was prior Hungarian pressure which prevented the Rumanian Government from making more serious inroads into the Autonomous Region. Reports indicate that feeling in Hungary is becoming more and more concerned over the situation in Transylvania. Moreover, the Hungarian regime is now much more powerful and seems more in the good graces of Premier Khrushchev than it was when Kadar made his gesture of renunciation in February 1958, and certainly in better favour than is Gheorghiu-Dej at the present time.

No more serious moves have been made since the end of 1960, but the Rumanian regime must naturally wish the process of integration and assimilation to go inexorably on. The Autonomous Region still represents something of an *imperium in imperio*, roughly similar to that granted the French Huguenots by the Edict of Nantes in 1598. It took eighty-seven years, until 1685, for the Edict of Nantes to be repealed. The Szekelers in Targu Mures can hardly expect so long. But they may be looking to the more recent past and still drawing hope from the fact that Transylvania has changed hands three times since the break-up of the Habsburg Empire. If it changes a fourth time it can only be in their favour.

[a] A comparison of the populations before and after the reorganization:

	End 1959 (*before*)		*End* 1960 (*after*)	
	Rumanians	*Magyars*	*Rumanians*	*Magyars*
Mures-Magyar Autonomous Region	146,830	565,510	266,403	473,154
Brasov Region	616,220	108,751	587,628	222,248
Cluj Region	963,748	257,974	883,172	236,858

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Notes of the month

South Africa's standing in international organizations

At the Addis Ababa Conference in May this year, the independent African States agreed to pursue joint action against the repressive racial policies of South Africa. Indeed, a meeting specifically for this purpose had already been held in Lagos in March. The results of these plans are now becoming visible in a series of events which have taken place in various international organizations.

In May the International Labour Organization was asked by the mainly non-white South African Congress of Trades Unions to expel South Africa. Mr Kamaliza, Tanganyikan Minister for Labour, called upon the ILO Conference in June to present an ultimatum to South Africa and Portugal in the form of a time-limit by which they were to end their oppressive policies. A few days later the Conference, meeting for the first time under the presidency of an African, broke up in general disorder when African delegates rose continuously on 'points of order' to prevent a South African delegate from taking the floor, and then left the hall in a collective protest when he eventually succeeded in doing so. Subsequently the African States—comprising thirty-two of the ILO's 108 members—threatened to withdraw altogether from the Conference if South Africa were not excluded from the rest of the proceedings. The extent of support for this threat is difficult to calculate, as each member country sends two delegates on behalf of its Government, plus one on behalf of employers and one to represent labour movements. The entire delegations of the Soviet bloc and of many of the developing countries voiced support for the Africans, as well as nearly all those who were members of the International Confederation of Free Trade Unions. There was such a display of disorder when the South African employers' delegate went to the rostrum on 14 June that the plenary meeting scheduled for the next day had to be cancelled. The United States workers' delegate, as well as the delegations of Sweden, Belgium, and Israel, joined in the ensuing walk-out. The U.S. Government delegate, Assistant Secretary of Labour George Weaver, a Negro, took what was no doubt a difficult decision and remained seated. The Nigerian President of the Conference, however, resigned his office.

The Africans came to have doubts on the wisdom of withdrawing altogether from an organization which was serving them well. Instead, they

decided to cripple the work of the Conference by absenting themselv thus failing to provide a quorum; a quorum is half the total number delegates registered at the Conference, and, once this quorum is attain votes are passed on a two-thirds majority of delegates voting. The Afric delegates therefore decided upon the technique of withdrawing fr Geneva without formally notifying the ILO Secretariat that they w leaving; they thus remained registered at the Conference. On 18 June, spite of appeals by the Director-General to stay and fight *apartheid*, t Africans walked out, supported by the communist bloc, the Arab Stat Cuba, and Israel. Of these, the Africans and the Arabs refused to retu at all and it seemed that the ILO lacked a quorum.

The Conference, in fact, managed to continue by virtue of a somewh curious ruling by the new President. He ruled that, as the African del gates had announced their withdrawal to the press while still on IL premises, formal notification to the ILO Secretariat was to be inferr They were therefore excluded from the list of those 'present and parti pating' in the calculation of a quorum. The Soviet Union, which co trived to participate in spite of joining in various 'walk-outs', failed have the Conference adjourned. What could be done by 'staying a fighting *apartheid*' was shown on 22 June, when the plenary body uphe a minority report from the Credentials Committee, rejecting the crede tials of the South African workers' delegate on the ground that he did n properly represent the South African labour force. The U.S. Assista Secretary of Labour George Weaver pledged his support for these tacti and announced that he would advise his Government to support the e pulsion of South Africa from the United Nations. No country join South Africa in protesting at the rejection of her workers' delegate's cr dentials.

The legality of these attempts to expel and harass South Africa in th ILO is questionable. The ILO Constitution makes no provision at all f expulsion; since the Constitutions of other international organizatio contain such a provision and since the ILO's own Constitution has a pr vision for voluntary withdrawal, it is reasonable to assume that it is n allowed to expel members. Article 6 of the United Nations Charter, how ever, allows for the expulsion of members for persistent violations of th instrument. As membership of the ILO is open to all States which a members of the United Nations, expulsion from the latter would see also to result in expulsion from the former. While an indirect techniqu for the removal of South Africa from the ILO is thus available, it cann easily be implemented, as expulsion from the United Nations depend upon a Security Council recommendation (subject to the veto) follow by a two-thirds majority vote in the General Assembly. If direct actio in the ILO itself is required, however, some amendment to its Constitu tion is called for. The Soviet Union vetoed a proposal in the ILO Con

ference Steering Committee which would have put on the 1964 agenda a constitutional amendment permitting the permanent or temporary expulsion of any country guilty of flagrant violation of ILO principles. She insisted—with fairly obvious motivation—that any amendments be tied specifically to the case of South Africa. While South Africa remains a member of the ILO her delegates are entitled to the right of speech, and attempts to prevent this by filibustering and general disorder are legally improper. David Morse, the Director-General—who showed himself to be very sympathetic towards the objectives of the African States—offered the view that South Africa could possibly be excluded from all future meetings of the ILO apart from the annual Conference, which every member has a constitutional right to attend. Even this compromise seems of marginal legality. There is no legal reason, however, why the Credentials Committee of the ILO cannot continue to decline to seat at least the workers' delegate from South Africa on the ground that he does not really represent the workers of that country. It is doubtful, however, whether either the ILO or other organizations could legitimately reject the credentials of the South African Government delegates, for while it is true that that Government is not representative of the majority of its citizens, governmental credentials are traditionally accepted upon proof of effective power and control in a territory.

The difficulties presented to the Africans by the ILO Constitution are illustrated by the fact that in 1961 attempts to expel South Africa culminated merely in a resolution inviting her voluntary withdrawal. It remains to be seen whether they will switch their somewhat disorderly filibustering tactics to the alternatives of seeking amendment of the ILO Constitution and lobbying for South Africa's expulsion from the United Nations. The ILO governing body (of which South Africa is not a member, and in which the Africans can muster 17 out of 72 votes) has already decided to bar South Africa from all ILO elected bodies and meetings, and to consider constitutional amendments next year. The United Kingdom, it is worth noting, has urged that it would be preferable for the matter to be dealt with first by the United Nations. South Africa has already responded to the decision of the governing body by resigning from two technical committees of the ILO.

The battle has been extended to other international bodies. In February of this year fifteen African nations in the United Nations Economic Commission for Africa succeeded in calling for the expulsion of South Africa and Portugal from that body. In so doing they ignored a finding of the U.N. Economic and Social Council that the ECA has no authority to amend its own composition. Significantly, U Thant cabled the ECA to state that its resolution violated the U.N. Charter, and Robert Gardner, the Ghanaian Executive Secretary of the ECA, also described the expulsion as illegal. In July South Africa announced that she would take

no further part in the work of the ECA. The proper proceedings to followed were emphasized by the resolution of ECOSOC, the pare body of the ECA, on 24 July, expelling Portugal from the ECA. ECOSC also adopted an American resolution which, though not expelling Sou Africa, refused to allow her Government to participate in ECA wo until *apartheid* was ended.

In early July Kenya was host for a U.N. Conference on Cartograph and refused to admit South Africa even though that country had receiv an invitation from the United Nations. Precedent indicates that su action is illegal.

In August at the U.N. Conference on Tourism in Rome, the Afric nations attempted to unseat the representatives of South Africa and Pc tugal, in spite of a warning by the Secretary-General that the Conferen was legally incompetent to change its own composition. A Yugoslavi compromise resolution was adopted, by which the two nations were 'i vited to withdraw'; they declined to do so, but their attempts to spe were greeted with thumping and shouting.

The thirteenth session of the African Regional Committee of the Wor Health Organization held in late September had to be abandoned alt gether, as the twenty-six African States refused to sit with South Afric The fares of delegates to Geneva were thus wasted, and pressing prol lems of health in Africa remained untouched. It may be added that tl Constitution of the WHO has no provision for expulsion, though Article envisages suspension of voting privileges and services upon the failu 'to meet . . . financial obligations . . . or in other exceptional circun stances'.

In mid-November the crusade was extended to the Food and Agricu ture Organization, which, like the ILO, has no explicit provision for tl expulsion of members. On 18 November Ghana presented an amen ment to the FAO Constitution which would allow expulsion by a tw thirds majority of any member which has 'persistently violated the pri ciples' of that body, as laid down in the preamble. However, even und this it seems doubtful whether this objective can be achieved at law, as tl preamble only lays down the objectives of the FAO and makes no me tion of the means by which they are to be achieved. During the actu FAO Conference the African delegates expressed their opposition South Africa by the now familiar method of banging their desks and the walking out.

The battle has been carried into non-governmental organizations als In October a group of airlines' representatives walked out of the annu meeting of the International Air Transport Association in protest again South Africa's racial policies. They also boycotted elections, which re sulted in South African airway delegates being placed on the IAT medical and legal committees. The Director-General, Sir William Hil

dred, criticized the introduction of politics into what he claimed was a purely technical body.

Whether the expulsion of South Africa from all international organizations is desirable is perhaps open to doubt, however abhorrent her racial policies. Be that as it may, there is no doubt that African action will now be carried into the United Nations itself. Only six Africans were in their seats when the South African delegate addressed the current session of the Assembly. More positive steps are likely to be taken when the Credentials Committee meets, probably in December; attempts to challenge his standing may be expected. At the same time lobbying proceeds on the more difficult objective of getting a recommendation for expulsion through the Security Council.

ROSALYN HIGGINS

Which policy for food?

THREE men who will have considerable roles to play in the 'Kennedy round' of GATT negotiations—Dr Mansholt, Mr Soames, and U.S. Secretary of Agriculture Orville Freeman—used the platform provided by the European-American Symposium on Agricultural Trade, held in Amsterdam from 11 to 15 November, to outline their starting positions.

The British Government's approach is by now well known. An attempt is to be made to match supply and demand on the British market by regulating both home production and imports. The first problem commodity to be tackled in this way was bacon, and from April 1964 the principal suppliers—including home producers—will have a prescribed share of the market, with further allocations to cover any expansion of demand. The Government believes that arrangements of this kind are 'well suited to be developed when the time comes in wider international trading arrangements for temperate commodities'.

The American approach is essentially two-pronged. For the immediate future, the chief aim is to maintain and if possible increase agricultural exports to Western Europe.[1] This is the most lucrative market, and the massive American food fair mounted in Amsterdam from 7 to 24 November went so far as to take as its theme 'American farm products in exchange for European industrial goods'. The longer-term American view is that the developing countries will ultimately provide the biggest market of all—in Mr Freeman's words, 'We need the under-developed market, or we can do nothing to cope with the productivity of our farmers.' On this point the U.S. Secretary of Agriculture made two predictions which frankly strain credulity. The first was that by 1980 the developed countries will come very close to being able to

[1] See 'Temperate Foodstuffs and the Commonwealth Conference' by this writer, in *The World Today*, September 1962.

satisfy the food needs of the under-developed world. The second was that, with aid begetting trade, the under-developed countries will be 'cash-on-the-nail customers' by 1980. The first forecast was based on projections made by the U.S. Department of Agriculture. The second appears to be an inference from the performance of Japan, which is now 'America's number one cash customer'; but to argue that the progress made by Japan in the eighteen years since the end of the war can be matched in the next eighteen years by, say, the new African nations is to ignore the high degree of technical proficiency with which the Japanese were able to make use of the aid afforded them.

American expectations in both the European and under-developed markets affect their approach to international commodity agreements. Mr Freeman is keen on a new agreement to cover both wheat and feed grains, and he expects it to contain six main 'elements':

'(*a*) acceptance of the basic objective of the development and expansion of world trade in grains by providing improved market opportunities for efficient producers;

(*b*) an international trading price range for wheat and feed grains akin to that existing in the current International Wheat Agreement;

(*c*) moderate internal pricing policies in importing countries that do not result in the expansion of uneconomic production of grain;

(*d*) assurance by importing countries of continuing access to their markets;

(*e*) broad sharing of responsibility for carrying world reserve stocks,

(*f*) provisions for equitable sharing, on the part of the developed nations, of the responsibility for providing essential food aid to developing nations.'

This is the programme of a grain exporter. Dr Mansholt was at pains to present the European Economic Community in the guise of a liberal importer. He claimed that between 1958 and 1962, despite rising domestic production, E.E.C. imports of commodities covered by the common agricultural policy had risen by 23 per cent, or twice the overall increase in world trade in agricultural products. He also claimed that his proposals for a common grain price within the Community would not cause any great increase in French production and that imports of the order of 10 million tons a year would continue to be possible. (The evidence for this conclusion was not divulged but on the surface it appears highly improbable, and Mr Freeman has been quick to suggest that the effect will, in fact, be to reduce the market for outside suppliers.)

In case he should be proved wrong and the E.E.C. should become an exporter rather than an importer, Dr Mansholt also stressed the need to improve the financial return to exporters. In a thinly veiled reiteration of the Baumgartner proposals, he called for an end to the 'persistent decline

ıich has characterized world agricultural markets'—although he did ıt want prices to importers to be 'unjust'.

The E.E.C. Council of Ministers was unable to come to any decision out the Mansholt proposals at its November meeting, and is to meet ain in December. What will happen is still anybody's guess. Even thout President de Gaulle's ultimatum, the imminence of the GATT gotiations would have compelled an intensive search for agreement at is stage; as Dr Mansholt himself has ruefully observed, 'To negotiate ı policy, you first have to have a policy.'

The Dutch are acting as pacemakers. Their Prime Minister, Mr arijnen, thinks the Six need a 'pressure-cooker' atmosphere to reach cisions. The Mansholt proposal to settle the grain-price question at ıe go, instead of gradually, has raised the pressure. Mr Biesheuvel, the etherlands Minister of Agriculture, has clamped the lid on by proısing that the December meeting of the Council of Ministers should be r twelve days 'and nights if necessary'.

Should the Six reach agreement in December, they will presumably in in the Kennedy round with a united voice. But pressure-cookers n blow up and, despite the prospect of clock-stopping and other vices, there can, at this stage, be no certainty that a marathon session ce that two years ago will, in fact, produce agreement. The prospect of ilure poses a host of questions. Will the Community itself collapse? ill the Kennedy round go forward? Will there be some kind of staleate in the Community during which the individual members will make ntative trading arrangements with other countries? The recent bacon reement has provided a precedent which might be looked at more osely under such circumstances. The arrangement was negotiated as ı 'understanding' rather than an 'Agreement' so that the Netherlands ıuld participate without involving the rest of the E.E.C. countries. A vice of this kind might have its attractions if there is to be uncertainty ıout the future of the Community.

And what would the United States do? The breakdown of the Comunity would leave France free to pursue an all-out expansionist policy agriculture, and so precipitate a direct clash over cereals. Any wateringıwn of the GATT negotiations could leave Mr Freeman with no option ıt to think again. He has already accepted that the current beef position the United States might force him to adopt Mr Soames's ideas about arket-sharing. If so, he might find himself much closer to the British proach generally. His goals are unlikely to change, but he may be glad settle for rather different tactics.

TREVOR PARFITT

The defeat of Khrushchev's plan to integrate Eastern Europe

ROBERT S. JASTER

SINCE mid-1962 a momentous conflict over economic relations has taken place within the Soviet bloc. The catalyst was a set of proposals by Mr Khrushchev for the radical reform of CMEA,[1] the organization set up to co-ordinate the economic activities of members of the bloc, the point at issue being whether the member States should relinquish a significant amount of control over their national economies in order to achieve a more efficient performance by the bloc as a whole. The radical character of Khrushchev's proposed overhaul of CMEA indicates the intensity of the economic problems that he faces. The way in which his plan was effectively blocked by other CMEA members suggests a new problem in the redefinition of intra-bloc relations that has occurred.

Gradual integration: the national approach

As early as 1953 the co-ordination of economic activity within the bloc began to develop according to a generally accepted set of principles, among which national sovereignty, voluntarism, and self-interest soon became paramount. This phase was formalized after the Polish and Hungarian revolts in 1956, when the Soviet leadership issued an unprecedented admission of past sins against the sovereignty of other bloc members. In its Declaration of 30 October,[2] which marked an end to virtually all the remaining vestiges of Stalinist exploitation in Eastern Europe, the U.S.S.R. promised to respect in future the independence and equality of countries within the bloc, and proposed bilateral discussions with each 'so as to remove any sources of inequality and exploitation that might still exist'. Subsequent negotiations brought a Soviet renunciation of a number of earlier exploitative agreements and sizeable Soviet indemnities to the countries concerned.

Starting with these 'principles of 30 October' the CMEA nations succeeded, over the next five years, in building a unique system of mutual economic relations, the basic objective of which was to promote the rapid

[1] The Council for Mutual Economic Aid, set up in 1949 (also known as Comecon). In this article 'bloc', 'Soviet bloc', and 'CMEA countries' all refer to the same group: the U.S.S.R. and Eastern Europe excluding Albania and Yugoslavia.
[2] *Pravda*, 31 October 1956.

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economic integration of the Soviet bloc without violating the national sovereignty of member States. The inherent contradictions in this objective were apparent from the outset. How individual economies, each regulated by a national economic plan, could in any real sense be integrated other than by a central, supra-national authority became a critical and continuing problem.

One concession to national sovereignty is the principle of unanimity, which was institutionalized in the CMEA Charter of 1960. No CMEA decision becomes operative until it has been ratified by each member Government. If a member asks to be included in the discussion of a particular issue under consideration—for example, joint development of the Danube—then it is obliged 'morally and politically', but not legally, to approve the decision reached.[8] The gradualist, limited perspective of the CMEA Charter is in marked contrast to the bold strides towards integration set forth in the Charter of the European Economic Community, which has (Article III) as one of its aims to be achieved within a specified period 'the abolition, as between member states, of the obstacles to the free movement of persons, services, and capital'.

The nationalistic bias of CMEA is nowhere more evident than in the nineteen Permanent Commissions, each of which works out specific recommendations for co-operation in a particular sector or industry. The Commissions are composed of economic and technical experts representing the interests of their respective countries. Here the general directives issued by the Plenary sessions of the CMEA Council are elaborated into detailed proposals, which are submitted to the Council for approval. In dealing with the complex and often politically charged problems of co-ordinating trade and production, the Permanent Commissions appear to have developed traditions of open debate and compromise not often found in communist deliberative bodies.

Another concession to national sovereignty is the bilateralism that has always dominated economic negotiations within the bloc. CMEA countries, sensing that their national interests might be submerged in a multilateral negotiation, prefer to take the chance of gaining a more equitable *quid pro quo* by dealing with each other separately.

Although the existing system has reassured the leaders of Eastern Europe that national independence would not be endangered by their participation in CMEA co-operation, it has been equally clear that the optimum allocation of resources within the region was not being well served by this standing arrangement. Co-ordination of economic plans, to be effective, would have to provide for extensive mutual discussion prior to the drafting of each national plan. Until recently, however, such co-ordination was limited to a *pro forma* exchange of plans *after* each had been enacted into national law.

[8] See *Sovietskoye Gosudarstvo i Pravo* (*Soviet State and Law*), No. 10, 1961.

Similarly the much-publicized CMEA programme of specialization in production has been subject to circumvention, token compliance, and delay. Were such plans to be really implemented, substantial economies of scale would result, investment requirements would be reduced, and real incomes would rise. These very measures would, at the same time, force each member country to relinquish or re-tool certain enterprises, and perhaps even entire industries, in favour of more efficient producers within the bloc. Moreover, the less-developed CMEA nations have been concerned, with good reason, that the basis for specialized production assignments would, in effect, freeze the existing structure of industry in the CMEA region. Under such conditions they would find it difficult, if not impossible, to develop the comprehensive industrial base that most of them hope to acquire. A Rumanian economist[4] recently argued that decisions on specialization should be based on criteria 'other than efficiency', and suggested a number of social and political considerations that should be taken into account.

From the published complaints of various CMEA officials it is evident that CMEA representatives, in particular those working on the Permanent Commissions, have found effective ways to circumvent specialization agreements that appear to be against their countries' best interests. The Commissions have been accused of engaging in long, inconclusive discussion and of passing numerous resolutions of so general a nature that no follow-up action would be required. Sometimes even the specialized production assignments that have been finally agreed upon are no more than agreements to maintain the *status quo*. Several countries, for example, may agree to 'specialize' in producing the same article, or the same piece of equipment is produced in several countries under slightly different nomenclature. Similarly many of the resolutions passed by higher CMEA bodies call for 'study', 'consideration', 'a more profound analysis', and other euphemisms for delay. Multilateral settlement of trade balances, to take but one example, supposedly was put into effect in 1957; yet it has reappeared in 1962–3 as a 'new phase' in CMEA relations.

This, then, is the limited framework for economic co-operation among CMEA members that has prevailed in the post-Stalin years. Dissatisfaction with this arrangement has become increasingly evident throughout the CMEA complex and has culminated in the high-sounding *Basic Principles of the International Socialist Division of Labour*, which were approved at the Conference of CMEA countries' Party representatives in June 1962.[5] The *Principles* were to serve as a basis for intensifying long-range economic co-operation, thereby suggesting that some sort of consensus existed among bloc leaders on the need for doing this. The cautious and general language of the *Principles* avoided calling for any radical

[4] *Probleme Economice* (*Problems of Economics*), Bucharest, No. 7, July 1963.
[5] *Pravda*, 17 June 1962.

changes in CMEA organization or procedure; yet it carried the certain implication that meaningful co-ordination would require a central authority. Although the other leaders of the bloc appeared unwilling to face up to this conclusion, the Soviet leadership soon began calling for drastic changes in the CMEA structure.

Supra-national planning: Khrushchev's move against gradualism

During the autumn of 1962 Mr Khrushchev presented a plan of fundamental reform for CMEA. His programme, which was elaborated in great detail, contained four major proposals:[6]

first, the creation of a 'unified planning organ, empowered to compile common plans and to decide organizational matters'—in other words, a supra-national planning body;

second, centralized joint investments to build enterprises of common interest, clearly implying a central authority to select projects and allocate CMEA investment resources to them;

third, the co-ordination of national investment plans, obliging each country to invest a fixed and equal share of its national income in the development of 'vital branches of mutual interest'—namely, agriculture, fuel, metals, etc.;

and, last, the joint construction of enterprises that would be the property of the bloc as a whole instead of belonging to the States in which they were located.

That this sweeping plan of Khrushchev's was prompted by a number of critical economic and political problems confronting his leadership became evident in the ensuing debate over his proposals. Clearly one of the major considerations was the growing cohesion of the European Common Market and the political and economic attraction that it would come to exercise over other regions of the world.[7] In accord with the Soviet assessment, in early 1962, that 'European integration is an economic and political reality with which we must deal,'[8] Khrushchev's article dealt at length with the threat of the E.E.C. The communist world, he wrote, must recognize the 'objective trend toward internationalization of production' in the West, which had among its aims the exertion of 'economic and political pressure on other countries, especially the newly emergent states'. In other words, the economic dynamism of Western

[6] The proposals were set forth chiefly in an article signed by Mr Khrushchev in the September 1962 issue of *Problems of Peace and Socialism* (of which the *World Marxist Review* is the English-language edition) and in his speech to the November Plenum of the CPSU Central Committee.

[7] See 'The Soviet bloc and the Common Market' by Alfred Zauberman, in *The World Today*, January 1963.

[8] *Mirovaya Ekonomika i Mezhdunarodnye Otnosheniya* (*World Economy and International Relations*), hereafter cited as *Mirovaya Ekonomika*, Moscow, No. 5, May 1962.

Europe had given the West a new and perhaps decisive advantage in the competitive co-existence of the two systems. To counteract the growing unity of the imperialists, Khrushchev declared, the communists were designing their own policy and their own economic measures—namely, a closer linking of the CMEA countries.

A second, and perhaps more important, reason behind Khrushchev's plan to overhaul CMEA was his recognition of the inadequacy of the Soviet bloc's resource base to sustain rapid economic growth in the future. Eastern Europe faces a particularly serious problem in a dwindling fuel supply relative to its growing industry. While it is estimated that Soviet fuel output will keep pace with Soviet consumption, the rest of Eastern Europe will by 1980 have a fuel deficit of more than 100 million tons.[9] Here, as in agriculture, large and growing investments are needed to keep production abreast of increasing requirements; fuels alone will take up about one-third of the total industrial investments of most CMEA countries over the next several years. In June 1962 this problem was discussed by the CMEA countries' Party representatives, who urged the '*maximal* development' of fuels, energy, and raw-material resources, and the co-ordination of capital investments in mining.[10] An editorial in the July 1962 *Kommunist*, the authoritative organ of the CPSU Central Committee, stated that the further vigorous development of socialist industry 'is impossible without an expansion of the raw materials base', especially in such capital-intensive activity as the extraction of ores and chemicals. The heavy capital outlays required would, for some CMEA States, 'cause a shortage of capital investments for developing other sectors of the national economy'; consuming countries should therefore share in the costs of developing deposits located in other member States.

The essence of this long-standing problem was the scale of investments needed to attain a rapid expansion of the bloc's raw-materials base. In his CMEA article Khrushchev suggested that joint financing be undertaken first in the raw-material branches producing for export, because they were the largest consumers of capital. He then pointed to the role that the U.S.S.R. had assumed to assist member countries' economic development and 'to do everything possible to reinforce the defence capacity of its country, *which stands guard over the socialist gains of the camp*, and of the camp as a whole'. (Italics added.) He seemed to be suggesting that, because the vast Soviet military expenditures relieve other CMEA States of the need to make heavy allocations to defence, they should assume a larger share of the costs of expanding the bloc's raw-materials base.

It must have been evident to Khrushchev that the rapid integration of economic activity within the bloc, which would help to meet both the

[9] *Zycie Gospodarcze*, Warsaw, 3 March 1963 (translated in *East Europe*, New York, May 1963).
[10] *Voprosy Ekonomiki* (*Problems of Economics*), Moscow, No. 7, July 1962.

bloc's increasing bottleneck over raw materials and also the external challenge posed by the E.E.C., was not being achieved under the existing CMEA structure. Nor was there reason to expect the pace of integration to be appreciably stepped up in the near future.

While trade within the Common Market was growing at a rate of 24 per cent per annum between 1958 and 1961, intra-CMEA trade during roughly the same period increased by only 14 per cent per annum—about equal to the growth of industrial production within the Soviet bloc.[11] That the rise in trade reflected increased production rather than a greater division of labour within the bloc was confirmed by Khrushchev.[12] Indeed, intra-bloc trade in machinery, the sector in which bloc officials most often claim to have made progress in specialized production assignments, increased by only 79 per cent between 1955 and 1960, while the bloc's output of machinery during the same period rose by 95 per cent. More alarming are the immediate prospects. From 1963 to 1965 machinery production within the bloc is scheduled to grow by 50 per cent, and intra-bloc deliveries by only 45 per cent; thus the share of machinery output entering intra-bloc trade will decline even further over the next two years.[13]

Moreover, the familiar Soviet argument that a comprehensive division of labour should be undertaken primarily among the lop-sided economies of the East European countries, and that the well-endowed U.S.S.R. would be involved only to a limited extent, seems to have been ignored. The growth of intra-bloc trade since 1955 has been largely a reflection of rapid increases in the East European countries' trade with the U.S.S.R. rather than in trade between themselves. The Soviet Union has occupied a growing share of East European trade (48 per cent in 1962), while trade between these countries themselves has remained constant at 16–17 per cent.

These three basic problems—the dynamism of Western Europe, the mounting pressure on bloc resources, and the slow pace of the CMEA region's economic integration—were of concern to the East European Parties and Governments as well as to those of the U.S.S.R. It seems likely, therefore, that each national leadership—or at least influential groups within each—favoured closer economic ties among the CMEA States. It was with this purpose in view, for instance, that Poland's leadership requested a conference of CMEA Party representatives in June 1962. During the following twelve months, however, the leaders of the CMEA countries turned down an opportunity to achieve more rapid economic integration because it meant relinquishing a substantial degree of control over their nations' economic affairs. The official and semi-official records

[11] *ibid.*, No. 9, September 1962.
[12] *Problems of Peace and Socialism*, *op. cit.*
[13] *Mirovaya Ekonomika*, Moscow, No. 12, December 1962.

of this period, which extended from the autumn of 1962 until midsummer 1963, reveal the way in which they made their decision effective.

The defeat of the Khrushchev plan

Opposition to Khrushchev's proposals had appeared in several East European Government and Party groups from the middle of 1962. The first open dissension, however, took place only in December, at the Seventeenth CMEA Plenary. Following this meeting, which accomplished little formal business other than the establishment of another Permanent Commission (on foreign currency and financial problems), Poland's chief CMEA delegate, Jaroszewicz, made the following statement to the press:[14]

> I wish to refer to Premier Khrushchev's well-known motion to create common planning organs for CMEA countries. In the discussions of the Session and the Executive Committee, we have striven to bring about that the Permanent Commissions . . . should, with the aid of the Secretariat and the Executive Committee, constitute a joint, continuous, and systematically operating staff of collaboration at a high level.

This decision to use the existing CMEA structure, whose recommendations enter into force only upon ratification by each of the member States, was, in fact, a rejection of Khrushchev's call for a central body 'empowered to compile common plans'. Of significance, too, is the fact that the decision was made, not through the recalcitrance of one disaffected State, but by the two highest CMEA organs. Jaroszewicz later reiterated the point,[15] describing the difficulty of co-ordinating economic plans, which requires 'gradual' development and 'much effort on the part of individual committees of the CMEA'. At the Plenary a further blow was struck against the radical reform of CMEA by the Council's rejection, apparently at Polish initiative, of a proposal to create an organization for co-ordinating investments and deciding production policy for the ball-bearing industry of the bloc as a whole. Again it was decided to relegate the work to already existing committees.[16]

The most extreme opposition, that of Rumania, exploded in a special four-day Plenum of the Central Committee of the Rumanian Workers' Party in March this year. The Plenum approved the actions of its CMEA representative, Birladeanu, at the Seventeenth CMEA Plenary, and asserted that the principal means of achieving a division of labour within the bloc was the co-ordination of national economic plans 'in the spirit of the principles proclaimed by the 1960 Moscow Declaration of respect for national sovereignty and independence'. From subsequent statements by Rumanian officials[17] it appears that the question at issue was not a

[14] *Polish News Bulletin*, Warsaw, 23–27 December 1962.
[15] *ibid.*, 19 February 1963.
[16] *Zycie Gospodarcze*, Warsaw, 6 January 1963.
[17] See the speech by Gheorghiu-Dej during Podgorny's visit, *Pravda*, 5 June

minor one of whether a particular Rumanian enterprise would or would not be built with CMEA aid, but a far more basic question: how should the Rumanian economy develop? The burden of the Rumanians' argument was the impossibility of establishing a world socialist system while socialist countries remained divided into 'industrial and agrarian, developed and undeveloped'; they contended that only the *comprehensive* development of a nation's heavy industry, with machine building as its core, would lead to the elimination of differences in economic levels. They therefore openly rejected Khrushchev's theses about the need for greater specialization among members of the bloc, and declared that socialist industrialization meant 'the complex and balanced development of the entire economy'.[18]

In April the Czech planning journal[19] joined the ranks of CMEA gradualists in an article calling for an exchange of member countries' investment plans within a few years. It was felt necessary 'gradually to co-ordinate these plans' in preparation for a later transition to joint planning.

The formal burial of the Khrushchev plan took place at the Conference of Party First Secretaries in July, and its official communiqué gives an indication of how the issue had been settled. Among its opening paragraphs was a reaffirmation of the principles of sovereignty and equality in intra-bloc relations. Its key statement was an assertion that 'the best possible basis for multilateral co-ordination of plans is provided by bilateral consultations between member nations.'[20] The post-mortem was performed by Ulbricht in his report to the Central Committee of the German Socialist Unity Party (SED) following the Plenary.[21] After noting several subjects on which the 'Rumanian comrades' had insisted on bilateralism, he commented on the defeat of an East German proposal, which was virtually the same as earlier suggestions by Khrushchev, for international associations for production:

> Upon close examination it must be admitted that a number of prerequisites for the international management of whole industrial branches are indeed absent. Thus it is no misfortune that this suggestion was not adopted... Now it will be up to the party leaderships and the governments to determine to what extent they wish to agree on bilateral co-operation in individual sectors. We think that it is on this basis that we must gain the experience that will later permit us to take the next step in CMEA.

Despite the sharp conflict within CMEA during the past eighteen months, culminating in the rejection of Khrushchev's proposals, econo-

1963; the editorial in *Scinteia* of 22 April; and *Probleme Economice*, Bucharest July 1963.

18 *Agerpress*, Bucharest, 15 July 1963.

19 *Planovane Hospodarstvi* (*Planned Economy*), Prague, No. 4, April 1963.

20 *Pravda*, 28 July 1963.

21 Published by *Informationsbuero West*, West Berlin, 20 August 1963.

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mic co-ordination has nevertheless advanced. Apparently national plans are at least to be circulated in their draft, instead of their final, stage. An influential CMEA Executive Committee, established in June 1962, provides greater continuity between plenary sessions of the Council. A Permanent Commission for Currency and Financial Problems has been assigned to draw up proposals for multilateral clearing to be administered by a CMEA bank. Significant progress has been made towards completing the intra-bloc power grid and the Soviet–East European pipeline. These measures contain no threat to national sovereignty, however, and CMEA's success in these fields is not necessarily attributable to the Soviet pressure for reform. Indeed, it is possible that greater progress could have been achieved in a less strife-ridden situation than that which has prevailed in CMEA since early 1962.

Conclusions

Possibly the most significant single truth to emerge from these events is the primacy of nationalism over communism as the dominant factor in the decisions of the leaders of Eastern Europe. With good reason, an editorial in *Kommunist* gave warning that 'under present conditions nationalism is the greatest danger to the unity and solidarity of the socialist commonwealth.'[21] From this conclusion it follows that the concept of CMEA as a united bloc of countries whose leaders share a common outlook on all important matters is a great over-simplification. So, too, is the notion that the U.S.S.R. continues, as in Stalin's time, to exercise effective and virtually complete authority over her 'empire' in Eastern Europe. Doubtless the Sino-Soviet rift and the CPSU's need for the support of other Parties in its dispute with the Chinese have helped to create an atmosphere more favourable to the expression of dissent in intra-bloc relations.

The debates have further revealed the hard truth about the economic condition of the CMEA region: an uncertain, investment-hungry agriculture; an unbalanced economic development that has permitted industry to outstrip its fuel and raw-material supply; a failure to reduce disproportions and parallelism in the CMEA economies. In other words, the same problems that have plagued Soviet-bloc economies for more than ten years are now more acute. As a result the rate of economic growth—a sacred cow to communist as well as to many Western economists—threatens to slacken.

For Western observers the events surrounding recent CMEA activity should provide a truer image of economic and political reality in Eastern Europe.

[21] *Kommunist*, Moscow, No. 9, June 1962.

Dialogue on disarmament: the case of China and the United States

LORD LINDSAY of BIRKER

THIS article does not claim to give any simple or definite answer to the question: How can the Chinese People's Republic be induced to participate in meaningful disarmament negotiations? Its main aim is to state some aspects of the problem which are often neglected; and when they are neglected discussion becomes merely confusing because the real problems are not considered. These neglected aspects include some general issues as well as those with special reference to China.

In a world where all governments acted reasonably the problems of peace and disarmament would be comparatively simple. Even before the first World War it was cogently argued, in Norman Angell's *The Great Illusion*, for example, that no country could gain from a general war, and the first World War provided very clear confirmation of this argument. But this did not prevent the second World War, which also harmed both sides. It follows that any discussion of the problems of peace or disarmament is completely unreal if it starts from the assumption that governments in all countries act in terms of the rational pursuit of national interest.

It is even more confusing to base the discussion on premises which imply that war is inevitable. It seems quite fashionable to maintain that all countries follow policies which are reasonable in their own terms and to argue that anyone who makes a judgment that some policies are reasonable and just while others are not thereby shows himself to be morally arrogant or unable to escape from the particular standards of his own culture. Those who take this position are seldom willing to face its implications. To deny the existence of objective standards implies that disputes can never be settled except by force. In this model of the world the most that negotiation can accomplish is to induce the weaker party to yield without fighting, and even this will not be possible if both sides are convinced, by their own standards, that they could win a fight. Also, in many cases, even the slightest chance of avoiding defeat may be preferable to yielding. For example, given Hitler's objective of spreading German colonization to the East and keeping only the less educated strata of the

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original Slav population as serfs, yielding to German demands was not a possible alternative for the Poles or the Russians.

The illustration just given would seem to be a fairly clear *reductio ad absurdum* of the view that no objective distinctions can be drawn between different policies. In a great many cases one can say that some policies are almost certain to lead to war while others are not. To give another instance, the objective of the present Japanese Government, to double the national income within ten years, is entirely compatible with a peaceful world; all that it requires from the rest of the world is a willingness to trade on mutually advantageous terms. By contrast, the objective of establishing the Greater East Asia Co-prosperity Sphere under Japanese hegemony presented the other countries involved with the alternatives of submitting to Japanese control and exploitation or resisting Japanese conquest by force. Similarly, at the present time, if the objective of the Peking regime is really to restore China's position as the dominant Power in Asia with suzerainty over adjoining countries, most of China's neighbours face the same alternatives of submission or resistance.

A less extreme position which also implies a very high probability of war in the long run is the assumption that international relations must be a zero-sum game of power politics, that all countries use their power to pursue interests which are inevitably conflicting. In this model of the world peace depends on a precarious balance. War can be avoided so long as it remains doubtful which side could win it and so long as all players make correct judgments as to how far they can go in pushing their interests without provoking a war. But the threat of war is an integral part of the system and may at any time become a reality if one of the players miscalculates or if something happens to upset the balance of power. The implicit assumption behind the system is that different countries have irreconcilable differences of interest which are sufficiently vital to be worth the risk of war. There could be situations in which this was true. For instance, if world population growth continued unchecked for another century or so many countries might face the dilemma: Either we conquer territory from our neighbours or else our children will starve. At the present time, however, it seems most unlikely that the possible gains which any country could make by a change in the international situation are commensurate with its probable losses through a major war. It follows that, for the international community as a whole, power politics depending on the threat of war is a dangerous and silly game; and that the basic problem in securing peace and disarmament is to find some way to stop playing it.

The difficulty is that, if one major Power insists on playing power politics, other countries have to follow. While it is not sensible for any country to risk a war for possible gains it may often be sensible to risk it to avoid possible losses. Freedom from foreign domination is a cause for which

many people have been willing to sacrifice their lives, and it may not be possible for them to save their lives by submitting to it. (The fallacy in 'better red than dead' is that the alternatives are not mutually exclusive. There is no reason to believe that a communist-ruled world would be a peaceful world. Communist regimes do quarrel among themselves and would be much more likely to carry these quarrels to the point of war if any serious non-communist enemies had been eliminated.) Moreover, since there is no certainty that submission could secure more than the postponement of war, the usual choice is to join in the game of power politics.

There is no absolutely necessary contradiction between disarmament and a power-politics system. The balance of power would remain unchanged if all countries agreed to make a proportionate reduction in armaments. But though everyone could benefit from such an agreement, the experience of a long series of disarmament negotiations indicates that there is very little chance of reaching agreement when international tension is at all serious. Unless there is some degree of mutual confidence between the Powers concerned, each country will pay more attention to the risk that a disarmament scheme might weaken its position in the balance of power than to the savings which would result from reduced armaments. It follows that there is very little hope of successful disarmament negotiations unless there is a fair degree of general confidence that no major Power seriously contemplates the use or threat of military force as a means of imposing its will on others. It is irrelevant that such a policy would be unlikely to serve any country's long-term national interests, because the danger of a general war comes precisely from the fact that governments often do not behave reasonably.

The unreasonableness which produces the risk of a general war takes two forms. On the one hand there is genuine aggressiveness. It is by no means certain that the rulers of all countries are sufficiently reasonable to realize that the traditional use of military force to attain their objectives is no longer a sensible policy in a world with atomic weapons. Equally, if not more, important are unreasonable fears of aggressiveness on the part of other countries. The criterion of unreasonableness in this case is not the complete absence of any genuine grounds for suspicion; it is suspicion quite disproportionate to any genuine grounds for it. And such suspicions tend to produce evidence which appears to confirm them. Moreover, fear and aggressiveness are often linked, and those nations which are themselves aggressive are most likely to suspect that others have similar motives.

It follows from this analysis that political fanaticism constitutes the major obstacle to any agreement on disarmament and the greatest threat to peace. It is not possible to get away from a system of power politics based on the threat of war so long as the rulers of any major Power either

remain determined to extend their power by the use or threat of military force (their motives may be nationalism, crusading ideology, desire for *lebensraum*, or even an old-fashioned wish to emulate the great conquerors of history) or else remain unshakably convinced that other Powers are preparing to use military force against them.

Political fanaticism is a world-wide phenomenon. In almost every country political problems are complicated by people who have firm beliefs, which are not justified by the evidence available to them or which are clearly false by any normal standards of evidence and logic. And political fanatics show important similarities in their general pattern of thinking in spite of the wide differences between the particular beliefs to which they have irrational emotional attachments. In considering the problems of peace, the important difference between different countries is not the presence or absence of political fanatics but the degree of influence which political fanatics are able to exercise on the policies of their country. A country in which political fanatics are generally regarded as a 'lunatic fringe' is capable of working for a peaceful world community; a country in which political fanatics control or form the government is a danger to world peace.

Any useful discussion of relations with the Peking regime must take into account the evidence that most of its leaders have a strong faith in Marxist–Leninist doctrine and that, especially since 1957, they have taken a position which might be described as Marxist–Leninist fundamentalism. If one reads Peking publications one gets a view of a strange mental world in which Marxism–Leninism is the fundamental truth. For instance, the polemics against those in the communist movement who argue that atomic weapons have created a common world interest to avoid nuclear war are based entirely on Lenin's views about war. It is argued that, though war may be bestial and horrible and destructive, yet the survivors will be able to build a new society a thousand times more beautiful than any known before. The risk that there might be no survivors, or that any survivors might face serious long-term genetic damage, is simply not mentioned. The possibility that developments which Lenin could not have envisaged may have increased the destructiveness of war to a point at which a dialectical change of quantity into quality could render Lenin's views invalid is something which does not appear to enter into Chinese communist thinking. This outlook runs through the whole argument between the Chinese communists and those in the communist movement whom they accuse of revisionist tendencies. On every point the appeal of the Chinese argument is not to the facts of the situation but to the principles of Marxism–Leninism.

This Marxist–Leninist faith does not necessarily involve objectives of expansion by military power. In so far as there are indications that the Peking regime has ambitions of territorial expansion, the operative motive

appears to be traditional nationalism—a desire to restore China's position as the dominant Great Power of the Far East and to reassert Chinese authority in areas which strong Chinese dynasties had considered as tributaries to the Chinese Empire.[1] And Marxism–Leninism actually operates against expansion for *lebensraum*. So long as the Chinese communists maintain that a problem of over-population is theoretically impossible, they cannot very plausibly argue that China needs more territory for her surplus population. If the Peking regime really has the firm objective of expanding Chinese power to the extreme limits of former Chinese empires, the possibilities open to the rest of the world are limited to the alternatives of submission to Chinese demands or preparations to resist or deter them by force. An agreed peaceful solution is not possible. And so long as China is an expansionist Power the chances of any agreement on disarmament are very poor. However, on present evidence, the case for believing that the Peking regime has such objectives is not conclusive.

What Marxist–Leninist faith does imply is a belief in the aggressiveness of non-communist Powers, especially of the United States. Again and again in Chinese communist publications one finds the argument that capitalism must lead to imperialism and to aggression; one article in *Hung Ch'i* said quite explicitly 'through a process independent of human will'. A frequently quoted statement of Mao Tse-tung's argues that, when one is dealing with reactionaries, 'the question of provocation does not arise' because they are bound by their nature to be aggressive whether one provokes them or not. And one of the main points of attack against Togliatti and Thorez has been that they have confused the masses by spreading illusions about the nature of capitalism and have gone so far as to induce people to believe that the leaders of the United States might actually be sincere in wanting peace. Similarly, one of the main points of attack against Yugoslav revisionism has been that the Yugoslavs have played down the inevitability of conflict between the socialist and capitalist systems. Chinese communist statements continually emphasize the completeness of the difference between the two systems, argue that all thinking has a class basis, and, in some articles, denounce the view that people with different class backgrounds still share some common human nature.

Other Chinese communist statements follow up the implications of this position for negotiations with the capitalist Powers. It is argued that negotiations can be expected to serve a useful purpose only by providing the opportunity for demonstrating the bad faith of the imperialists in claiming to want peace, thus showing the 'peace-loving masses' that they can secure peace only by opposing their own imperialist governments.

This Chinese communist position is quite logical if one accepts as axiomatic the truth of a simplified Marxism–Leninism. The Sino-Soviet dis-

[1] See 'The Chinese view of foreign relations' by C. P. Fitzgerald, in *The World Today*, January 1963.

pute is embarrassing for world communism because there is some real basis for the Chinese accusation that other Communist Parties are showing revisionist tendencies. The other Parties would like to make some empirical adjustments to the actual situation, whose logical implications are incompatible with strict Marxist–Leninist orthodoxy, while still claiming the prestige of strict orthodoxy. The Chinese stand raises issues which other communist leaders would prefer to leave dormant. Marx, towards the end of his life, is said to have remarked that he was not a Marxist, and it is quite possible that neither Marx nor Lenin would meet present Chinese standards of Marxist–Leninist orthodoxy, because both were sufficiently empirical in their thinking to admit some qualifications to their own general theories.

Chinese communist statements also cite empirical evidence for their conclusion that the United States is the aggressive leader of world imperialism. A case can be made for this, based on some statements by highly placed Americans and on some aspects of U.S. policy which give Peking some reasonable grounds for fear of Washington.[2] But while this genuine empirical evidence for suspicion may reinforce Peking's fear of Washington, it is very doubtful whether it has any decisive influence on the thinking of the Chinese communist leaders. If one looks at the case as the Chinese communists themselves state it, as opposed to the case stated for them by non-communist sympathizers, one finds no distinction between instances which have some real cogency and instances which could seem plausible only to people who are firmly convinced of U.S. aggressiveness on doctrinal grounds. For example, 'The "United Nations force" [mainly Indian troops] serving U.S. neo-colonialism continued its suppression of the Congolese people.'[3] Other instances go into pure fantasy: thus, in 1960, 'On February 5, 4,000 U.S. marines landed in the Dominican Republic in Latin America, intervening in its internal affairs by force of arms.'[4]

Suspicions totally unrelated to any evidence would be a sign of actual insanity. What characterize the thinking of political fanatics are suspicions completely disproportionate to the evidence. Here one can see a very close similarity between the thinking of the Chinese communist leaders and the thinking of the extreme Right wing in the United States. Both show a strong preference for explanations in terms of conspiracy, no matter how implausible. Both see the world scene as a struggle against absolute evil, world communism or U.S. imperialism. Both put the same reliance on the appeal of emotionally charged denunciations. Just as there

[2] Such a case can be found in Edgar Snow's *The Other Side of the River*, London, Gollancz, 1963, or, in a more extreme form, in Felix Greene's *Awakened China*, New York, Doubleday, 1961.

[3] *More on the Differences between Comrade Togliatti and Us*, 1963, Foreign Languages Press, Peking, p. 61.

[4] *ibid.*, p. 60.

is some real evidence to justify Chinese suspicions of the United States, so there are some well-substantiated cases of communist infiltration into the U.S. Government which provide some real basis for fear of communist conspiracy. However, it is extremely unlikely that a complete elimination of all genuine communist agents from U.S. government service would remove the suspicions of people who have claimed that President Eisenhower was a communist agent. And it is equally unlikely that the removal of any valid reasons for Chinese fear of the United States would remove the suspicions of the Chinese communist leaders.

It follows from this that Peking's fear of Washington, which prevents any real progress in meaningful negotiations, can disappear only when the Chinese communist leaders modify their thinking in a way which they would now denounce as revisionist. It is extremely unlikely that any changes in U.S. policy could remove their fears, because their system of beliefs, like other dogmatic systems, includes theories to explain away any conflicting empirical evidence. Chinese communist statements contain repeated warnings that the U.S. imperialists try to lull the vigilance of the masses against imperialist aggression by pretending that they want peace. On these lines, any attempts from Washington to improve relations with Peking could be explained away, just as extreme anti-communists explain away any signs of desire for a *détente* from the communist Powers as a plan to weaken the determination of the free world to resist communism. Again, one can find continual references to the alleged conflict between the peace-loving American people and the imperialist, monopoly-capitalist Government which oppresses them. On this basis, any conciliatory move by the U.S. Government could be explained as a concession forced from the imperialist ruling class by pressure from the peace-loving masses. And the conclusion could be drawn that a still more intransigent attitude from the Chinese side would still further encourage the American people to resist their Government.

Successful systems of dogmatic belief not only have devices for explaining away conflicting evidence but also devices to allow some degree of adjustment to empirical reality. To explain the mental processes of fanatics one has often to apply something like George Orwell's analysis of 'doublethink'—the ability 'to deny the existence of objective reality and all the while to take into account the reality one denies'. There is no incompatibility between the evidence that the Chinese communist leaders are Marxist–Leninist fundamentalists and the evidence that they have acted with a considerable degree of caution to avoid a direct encounter with the United States. In this case the device is simpler than direct 'doublethink'. Mao Tse-tung has often stated that, while the imperialists should be despised strategically, they must be respected tactically, and the boundary between strategy and tactics is sufficiently vague to allow considerable room for manœuvre. Negotiations between Washington and

Peking to reach some limited bargain for simultaneous performar would be within the field of tactics and might be successful. But the s of negotiation which would remove the Chinese communist fears of U imperialism and create the mutual confidence necessary for any meanir ful disarmament negotiations would be in the field of strategy and is ve unlikely to occur until the rulers of China change their beliefs.

While one can point to right-wing political fanaticism as an obsta which prevents Washington from making any conciliatory moves towar Peking, left-wing political fanaticism is a far more serious obstacle to a conciliation in Peking towards Washington. The John Birch Society dc not control the U.S. Government. In China, however, people whc views are quite as obsessively anti-American as those of extreme Jo Birch Society members are anti-communist not only dominate all lev of government but also control all media of communication, all meetir for discussion, and the entire system of education. There is a curio inconsistency in the fairly common viewpoint which sees the limited i fluence of right-wing political extremism as an obstacle which wou require great efforts to overcome in order to secure a more conciliatc U.S. policy towards the Chinese People's Republic and yet believes tl it would be comparatively easy to remove hatred and suspicion for t leading capitalist Power from the minds of devoted communists who d nounce Soviet policy as revisionist appeasement. If someone could d monstrate his power of converting political fanatics to more modera opinions by persuading members of the John Birch Society that a *détei* with the communist Powers would be desirable, there would then some reason to believe that he could make a real contribution to bett Sino-American relations if the State Department validated his passpc for mainland China. Someone who considers it almost impossible change the views of political fanatics in his own country and in an enviro ment with a tradition of free discussion has no rational grounds for b lieving that he could exert a moderating influence across linguistic ar cultural barriers on extremist beliefs reinforced by all the resources of totalitarian State.

The strongest argument against American restrictions on contacts wi mainland China is that they confuse the American public. To say: Tl Chinese communists are completely isolated from the non-communi world; they cannot have contacts with the United States, is obvious no sense when one states it explicitly. But a belief that Chinese communi fanaticism is the result of externally imposed isolation seems to be qui widely held in the United States. The experience of non-communi countries which do not impose restrictions on contacts with mainlar China shows fairly clearly that communist fanaticism leads to an intern ally imposed isolation. There has been a very strong inverse correlatic between the extremism of the Party line at any time and the willingne

of the Peking regime to allow foreign contacts. This is quite understandable. The more firmly people are committed to beliefs which could not be defended in reasoned argument or supported by examination of the evidence, the more they will tend to avoid situations in which they might be asked awkward questions or have to face evidence incompatible with their beliefs.

Political extremism in both communist and non-communist societies can be largely explained as a reaction to frustration. But the frustrations which have driven the Chinese communists towards Marxist–Leninist fundamentalism have been mainly in internal affairs. There is a good deal of evidence that the unexpected result of the experiment in free criticism in 1957 was a traumatic experience for many of the Chinese communist leaders. And the disastrous results of the 'Great Leap Forward' and the communes must have been even more frustrating. (There are some indications that they may have seriously weakened Party morale.) Though exclusion from the United Nations has been a source of frustration, it was not enough to prevent a considerable shift away from extremism between 1954 and 1957, which would seem to show that its influence is small compared with that of internal developments. And if Chinese political fanaticism is mainly a reaction to the internal Chinese situation there is little that other countries can do to change it.

Thus, given the present Chinese communist leadership and their present commitment to Marxist–Leninist fundamentalism, the prospects of meaningful disarmament negotiations with the Peking regime are very poor, and there are no possible changes in U.S. policy which could quickly produce a relaxation in the hostility between Washington and Peking.

However, this is not necessarily a pessimistic conclusion—for the following reasons. Firstly, the commitment of the Peking regime to Marxist–Leninist fundamentalism is not a constant. The attitude of the Peking regime has fluctuated quite widely over the last ten years and may well change in the future. During the past few years there has been evidence of disagreements at very high levels in the Chinese communist leadership, in which men of Central Committee rank have been ready to take the risk of opposing official extremist policies. So far, the more reasonable people have lost, but unless the present fundamentalist leadership is able to produce more successful policies it may become discredited and the more reasonable people may make a come-back. It would, therefore, be judicious to make sure that the United States was ready to take advantage of any new opportunities if they develop.

It seems likely that the United States missed some real opportunities in 1956–7. The issue of correspondents is the clearest example. By the time the State Department had agreed to validate passports for correspondents wishing to visit mainland China, the attitude of the Peking regime had changed. There was a certain loss of good reporting by Ameri-

cans with a wide background knowledge of China, and possibly a much greater loss; in 1956 and the beginning of 1957 there was a willingness in Peking to engage in reasoned discussion which has since disappeared, and contacts might have produced results which they could not produce now. The present writer suggested in a book written in 1954[5] that the proper slogan for the non-communist Powers should be: 'Any communist who starts to think is a potential ally.' American contacts in 1956–7 would have been thought-provoking and would have been an influence in favour of a less rigid Chinese position, though one cannot say that this influence would have been decisive. The practical implication of this is the reasonableness of relaxing U.S. restrictions on contacts with mainland China. In the short run, the most important result of such relaxation would almost certainly be to provide quite clear evidence that the obstacles to the type of contact likely to produce mutual understanding and the reduction of tension come from Peking and not from Washington. In the long run, it would enable the United States to respond immediately if a change in the attitude of the Peking leadership produced some real desire for mutual understanding.

Secondly, it is quite unreasonable to identify the attitude of the present Chinese communist leadership with 'China' or the 'Chinese people'. Even such a sympathetic observer as Edgar Snow argues that any real influence on Chinese policy is confined to a group of some 800 people. Some of this group are probably quite incurable political fanatics but others are potentially reasonable men. And there remain some 600 million Chinese who have nothing to gain and a great deal to lose by loyalty to leaders who base their policies on Marxist–Leninist fundamentalism. As a result of official indoctrination they may support the present Chinese communist leadership, but irrational beliefs are unstable. An appeal to the peace-loving masses to oppose war-mongering governments is one of the numerous instances in which the communists announce a sound general principle and then proceed to pervert it. But it should be possible for genuinely peace-loving regimes to use this principle without perversion. To secure the acceptance of false beliefs requires an apparatus of control and indoctrination; beliefs which can be confirmed by independent thinking and observation are likely to spread unless they are actively suppressed. An active educational campaign making clear what could be done to secure peace and exposing the sophistries and distortions through which the Marxist–Leninist fundamentalists oppose action for peace could not be expected to yield quick results because the opportunities for contact with the Chinese people are extremely limited. In the long run, however, it could have a very great cumulative effect in weakening the influence of political fanaticism and opening possibilities for meaningful negotiations with China.

[5] *China and the Cold War*, London, C.U.P., 1955.

East African unity—problems and prospects

DAVID H. JOHNS

ON 5 June the President of Tanganyika and the Prime Ministers of Kenya and Uganda declared that their Governments intended to form a Federation of East Africa.[1] If their plans materialize, the East African State, with a population of some 25 million, will be the third largest in Africa. It is clear, however, that the original commitment to establish a federation in 1963 will not be realized. Although there had been previous discussion on the desirability of closer union, the Working Party which was set up to prepare a draft Constitution has been unable to reach agreement on a number of issues. The conference of East African Governments scheduled to consider its recommendations has been postponed on several occasions and several Ministers in Uganda have expressed second thoughts about federation. There has even been some talk recently of Kenya and Tanganyika forming a federation, with Uganda joining 'at a later stage'. And certain other African States, notably Ghana, have argued that the establishment of an East African federation would jeopardize African unity.

In the light of events since the issuing of the Declaration, it may be asked whether the movement towards regional unity in East Africa will prove to be as abortive as similar movements elsewhere in Africa. Was the Declaration intended merely as a demonstration of East Africa's sympathy with the Charter of the Organization of African Unity (OAU), which had been initialed less than two weeks before the signing of the Declaration? Was it regarded only as a device for hastening Kenya's independence, which is now assured on 12 December 1963? These factors were certainly considered, but they must be regarded as secondary, for President Nyerere and Prime Ministers Kenyatta and Obote are agreed in principle to the establishment of a federation and believe that many of the problems facing their countries may prove more capable of solution within the framework of federation. None the less, as more recent developments have demonstrated, each country believes that the federal

[1] Press Office Handout No. 525, Kenya Government Information Services.

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Constitution should be constructed along somewhat different lines and the next round of talks will require hard bargaining and compromise. The negotiators will be assisted, however, by the fact that there already exists a general commitment to closer union and to the idea of pan-Africanism as well as a substantial framework for further co-operation and co-ordination.

The colonial legacy

Liaison between the three East African States dates from the period immediately following the first World War and Britain's acceptance of the League of Nations mandate over former German East Africa (except for Burundi and Rwanda which were mandated to Belgium as the trust territory Ruanda-Urundi). In the 1920s and early 1930s a great deal of attention was given to proposals for closer political union, but for various reasons none of these was accepted. Co-operation developed along more functional lines: a common market was established, a common currency adopted, certain services, such as posts and telegraphs, were co-ordinated on a regional basis, and several East African research institutions were organized. The second World War made closer co-operation imperative and the Secretariat of the East African Governors Conference, which had been set up in 1926, became a sort of clearing house for the various committees and boards established to cope with war-time shortages.

To continue this liaison in the post-war period, the Colonial Office established the East Africa High Commission in 1948. Authority was vested in the three territorial Governors, with the Kenya Governor as chairman. A Central Legislative Assembly was created with official and non-official members appointed and elected by the Governors and territorial Legislative Councils. The High Commission had responsibility for the operation of the scheduled services, but, as a mainly administrative body, its powers were strictly circumscribed. It had no revenue-producing powers—for the territories retained control of income tax and tariff rates and were given responsibility for appropriations for the 'non-self-contained' services. Moreover, no additions could be made to the scheduled services without the consent of the Legislative Councils. Similarly, the Legislative Councils had to approve any extension in the life of the Assembly, established initially for a period of four years. In spite of these limitations, the High Commission accomplished a great deal during the period 1948–51, perhaps the most important development being the merger of the railway systems and the introduction of a common railway tariff.

From the early 1950s, as the Africans began to anticipate and attain new positions of power, the general pattern of relations between the three territories and the operations of the High Commission were subjected to severe criticism. The Africans recalled that when the High Commission

was established the Colonial Office had gone back on its initial pledge of non-official representation of the three major communities in the Assembly 'in equal numbers'. Instead, a system had been effected which ensured, at least at the outset, a European majority. The Africans, especially in Tanganyika and Uganda, continued to believe that the High Commission might be the thin end of the wedge of political federation and that, as in Central Africa, control would rest with the Europeans. They were also concerned about the eventual constitutional arrangements and the future alignment of various political groupings in each territory.

At the same time, they were worried about the uneven economic development of the area. Industrial development during the 1950s was much more pronounced in Kenya than in Tanganyika or Uganda, and the latter two territories came to believe that Kenya was benefiting at their expense. The fact that Tanganyika and Uganda were primarily dependent upon agricultural exports contributed to this feeling, for when the prices paid for their products dropped suddenly they found themselves hard pressed for revenue, while Kenya, in spite of the Emergency, was not as immediately affected. They experienced a further loss of revenue from international trade as Kenya's industries began to supply goods which had previously been imported. But whereas Kenya could recoup her losses through taxation of her new industries, Tanganyika and Uganda had no such recourse, for each territory could tax only those industries situated within its own boundaries. There were thus demands for the imposition of restrictions upon products originating in Kenya or, alternatively, some form of redistribution of her tax and tariff receipts. There was pressure also for the 'decentralization' of the common services, the majority of which—including the High Commission, the railways, and the postal services—had their headquarters in Kenya.

The transition from colonialism to independence

A different attitude towards inter-territorial relationships became apparent as early as 1958, when the Pan-African Freedom Movement for East and Central Africa (PAFMECA) was established. Although a resolution adopted at its first conference stated that the question of federation was 'irrelevant at this time', the formation of PAFMECA provided leading African nationalists with an opportunity to discuss informally the possibilities of greater contact between the territories, and within a year Nyerere began to speak of the probability of federation in East Africa 'in the long run'. With the British Government's announcement in February 1960 of changes in the Kenya franchise, the long-standing fear of European domination was dispelled. In June Nyerere proposed that the three colonies (and Zanzibar) confront the Colonial Office 'with the demand for the freedom of East Africa as *one political unit*' and indicated that Tanganyika, scheduled to be the first independent East African State,

might be willing to postpone her independence in order to facilitate the formation of a federation.[1]

Owing to the varying political circumstances in each territory, it proved impossible to synchronize the dates of independence. Therefore, a means had to be found for continuing the existing regional institutions during the interim between Tanganyika's and Kenya's independence. A major issue in the subsequent negotiations was the operation of the common market. Great Britain appointed an Economic and Fiscal Commission to study the existing set-up in East Africa and its report,[2] issued in February 1961, strongly recommended that the common market be retained. At the same time, it proposed that 40 per cent of territorial industrial income-tax receipts and 6 per cent of customs revenue be placed in a 'Distributable Pool' to be repaid to the three territories in equal amounts. Tanganyika and Uganda would thus be compensated in some measure for Kenya's industrial and commercial predominance. The Distributable Pool was also to provide revenue for the 'non-self-contained' services so that the High Commission would no longer be dependent upon the three Legislative Councils for revenue for their operation. In spite of certain misgivings in each territory, the three Governments agreed to accept the Commission's proposals as a package arrangement.

Negotiations then turned to political issues. In March 1961 it was decided that Tanganyika would receive independence the following December and Nyerere declared that his Government desired to continue its participation in the regional services if this could be done 'in a manner compatible with the country's sovereignty'. At a conference held in June delegates from each territory agreed that, with certain changes, it would be in the interests of each country to continue the common services on an East African basis. Simultaneous with Tanganyika's independence, the East African Common Services Organization (EACSO) was set up.

Responsibility for EACSO policy rests with the Common Services Authority, a body consisting of the three Heads of State, each serving as chairman in rotation. Administration is vested in five Ministerial Committees, each composed of three territorial Ministers, for finance, commerce and industrial co-ordination, communications, labour, and social and research services. The reorganized Assembly has a membership of forty-four. In addition to the fifteen Ministerial Committee members and

[1] Julius Nyerere, *The Federation of East African States*, p. 2. (Mimeograph printed by the Conference of Independent African States, Second Session, Addis Ababa, 14–24 June 1960.) Zanzibar's relationship with the East African countries is not discussed in this paper. She was not a full participating member in the High Commission and she does not participate in the common market. Since the establishment of the East African Common Services Organization, she has applied for membership in the Organization and, more recently, she has agreed in principle to joining the East African federation.

[2] Cmnd. 1279.

the Secretary-General and the Legal Secretary of EACSO, there are nine members from each State, elected by their respective National Assemblies. These changes have brought about a more direct relationship between territorial and East African administration. But, as in the case of the High Commission, each country retains a veto power over EACSO policy, for the constitution specifies that decisions of the Authority and the Ministerial Committees must be unanimous.

This transition has proceeded relatively smoothly and in some instances the common services have been considerably strengthened. Proposals for extensions in the railway system have been approved; plans have been announced for the nationalization of the port cargo-handling services; and legislation has been passed transferring control of the East African Airways Corporation to EACSO. In August of this year a Labour Ministerial Committee was set up within the Organization. One of the more important developments has been the appointment of an East African Mission, working through EACSO, to enter into negotiations with the European Economic Community for some form of 'special relationship' other than associate membership.

In certain areas outside the purview of EACSO there has been a similar tendency towards closer co-operation. The Finance Ministers have agreed in principle to the creation of an East African Central Bank. The Defence Ministers of Tanganyika and Uganda have announced their intention to form an East African Defence Pact (to include Kenya on her independence), and this has been welcomed by the Kenya African National Union (KANU). The pooling of diplomatic and trade missions has also been considered and Tom Mboya has argued, albeit within the context of the federation negotiations, that the three countries should have only one East African representative at the United Nations.

On the other hand, certain developments have been somewhat contrary to this tendency towards closer co-operation. The Royal East African Navy, one of the High Commission services, has been disbanded, following Tanganyika's contention that her continued participation constituted a breach of her sovereignty. Uganda has withdrawn from the East African Tourist Travel Association because she felt that undue emphasis was being placed upon tourism in Kenya. The three Governments have been unable to agree on joint measures for the co-ordination of rail and road development or the reorganization of the East African Industrial Council, as recommended by the Economic and Fiscal Commission and the three territorial reports of the International Bank for Reconstruction and Development.

With the assurance of Kenya's independence in December, the future structure of inter-territorial relationships is once again an open question —and one which can be postponed no longer. As is particularly true with developing nations, political and economic policy are closely intercon-

nected; thus it is quite likely that the common market, which at presen operates under a system of *ad hoc* negotiations, may be subjected to in creasing pressure from each participating nation. As each country deve lops its own particular political style and begins to exploit the privilege of national sovereignty, a tendency towards parochialism may wel emerge. Thus it is possible that the common market and EACSO ma become inoperative unless steps are taken to avoid national policies ren dering East African liaison ineffective.

The initial response to the Declaration of 5 June was overwhelmingl favourable. Not only did the three major and government parties endors the proposals, but the opposition parties in Kenya and Uganda intro duced motions of support in their respective National Assemblies. At July meeting of territorial labour unions support for the federation wa announced and, in anticipation of its early implementation, a resolutior was adopted calling for the establishment of an East African Federation o Labour. Business groups, quite predictably, have always supported close union.

In spite of this support, recent discussions have revealed a number o outstanding problems. At present there is no one East African party. The only supra-territorial political organization is PAFMECA, and since it has expanded to include Somalia and Ethiopia, the former Belgian colonies, and southern Africa, this Movement is not readily adaptable to East African requirements. In any case, there is quite a possibility that it will be disbanded, for the initiative for hastening the independence of the countries of central and southern Africa has been taken over by the Liberation Committee set up under OAU, and the responsibilities for fostering African unity, at least in regional terms, have been more or less pre-empted by the establishment of EACSO and the movement towards federation. It is possible that some form of coalition government may emerge if a federation is established. KANU, the Tanganyika African National Union (TANU), and the Uganda People's Congress (UPC) are in general agreement on the issues of party organization, pan-Africanism, and the need for the development of a particular type of 'African socialism'. Presumably the three parties would work together in a federal parliament, although there is no assurance that they would adopt an East African viewpoint rather than supporting territorial programmes. Apart from anything else, however, there is still the problem of allocating positions at the federal and territorial levels among the East African leaders.

Certain constitutional issues also require further discussion. Agreement must be reached on the units of the federation. Although it is generally accepted that it should consist of three constituent States—Kenya, Tanganyika, and Uganda—there has been some agitation, in Buganda for instance, that the present kingdoms of Uganda and certain regions in Kenya should be units within the East African State. These pressures

may be eased as a result of the election of the Kabaka as President of Uganda and of decisions taken at the recent Kenya Constitutional Conference. But there remains the question of the division of powers between the federal and territorial authorities in such matters as the relationship between the projected East African Defence Force and the territorial police forces, finance and taxing powers, and the organization of the civil service. Moreover, agreement must be reached on other subjects, including citizenship and the location of the federal capital.

There are also economic problems. There is no economic plan for East Africa as a whole. Many people in Tanganyika and Uganda still believe that Kenya has a disproportionate amount of industrialization, but the latter is not likely to favour proposals for development concentrated in the other two countries. Nor is any country particularly anxious to surrender to a regional authority the powers of its national development corporations and agricultural marketing boards. Similarly, each is reluctant to cede additional powers to the central Government for industrial licensing or for transportation development.

The existing institutions in East Africa may none the less prove to be the necessary half-way house on the road to federation. Although many people favour the creation of a strong central Government, it is not essential that all powers be given to it at the outset. Perhaps as a minimum it should have responsibility in foreign policy and in certain economic matters. This would necessitate a unified East African foreign service and central authority over foreign aid and trade negotiations. It would also require federal control over the common market and customs union, although it would not preclude certain *quid pro quo* arrangements, such as concessions to certain industries in Tanganyika and Uganda in return for subsidies for agricultural producers in Kenya. Such a federation would be a further step towards closer union and, equally important, would be preferable to a complete break-down in federation negotiations or to the break-up of the common market and EACSO.

If some form of federation does materialize, it will be partly due to the gradual increase in inter-territorial co-operation during the forty-year colonial period and also to the fact that the three former colonies are contiguous and have experienced the same general system of colonial administration. Yet the drive for independence could have brought about, as elsewhere in Africa, the destruction of colonially imposed regional institutions. Tanganyika and later Uganda, however, proved willing to adapt these institutions to their new status as independent nations, although they realized that this entailed the sacrifice of some of their newly gained sovereignty. The East African leaders have constructed their political and economic institutions with a certain measure of flexibility which has permitted them to meet the requirements of nation-building and

at the same time, has not yet put them on a course which precludes the achievement of federation.

It has been argued that the decisive factor in Europe's movement towards unification has been the confidence of her leaders in the necessity of mutual co-operation. This confidence is now being subjected to its most severe test. So, too, in East Africa the spirit of pan-Africanism and the belief in the desirability of East African unity are being tested. Perhaps the ideas of pan-Africanism and the urge to set an example for other African States may take precedence over national or parochial interests. The prospects of unity are greater and more immediate in former British East Africa than they are elsewhere on the continent, and the success (or failure) of the East African leaders will be watched with interest for it may be indicative of the future pattern of regional groupings among the developing nations.

China irredenta: the south

O. W. WOLTERS

THE term 'irredenta' contained in the title of this article should be understood to imply 'claims' which need not be territorial in character. The term 'south' is more helpfully vague. Professor Lattimore has argued that, from the traditional Chinese point of view, the northern and northwestern frontiers of China had to be sealed.[1] The situation on the southern frontier at the shores of the South China Sea was very different; here was an open frontier, with distant and congenial horizons.

This article will not be concerned with the countries of mainland South East Asia, lying immediately beyond the south-western provinces of China. It is likely that the Chinese have always recognized problems of internal security created by the tribal peoples living astride the porous frontiers of Vietnam, Laos, Thailand, and Burma. The need to protect outlying areas in China herself would have involved the Chinese from time to time in special measures, sometimes requiring military action and always justifying the assertion of the tributary principle. Sino-Viet relations in particular were probably very different from other forms of Sino-

[1] Owen Lattimore, *Inner Asian Frontiers of China*, New York, American Geographical Society, 1951, 2nd edn, pp. 469 ff.

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South East Asian relationship. If, again according to Professor Lattimore, Chinese slipping over the northern borders into the competitive steppe society were liable to become dangerously different people, the Chinese, who in the early centuries of the Christian era slipped into Tongking, helped to create a dangerously similar Sino-Viet society. Viet dynasties in their prime had a Chinese-like self-consciousness in seeking to recover what they believed to be the Viet sphere of influence over the porous frontier.[2]

The scope of this article is limited to some first impressions growing in the writer's mind on the subject of the relations between China and 'maritime' South East Asia and especially on the Sino-Indonesian relationship as it developed over the centuries. 'Maritime' South East Asia is a legitimate term, corresponding not to the region as a whole but to those parts in maritime communication with China. The Chinese expression has been 'the countries of the southern ocean', the countries of the *Nan-hai* or *Nan-yang*,[3] and it is possible that, as a result of long experience, the Chinese developed attitudes towards the *Nan-yang* which in the end became habitual. One may be tempted to inquire whether these attitudes have been completely abandoned even today. Are there historical overtones in Chinese policies during the twentieth century?

Historical background

No study of the subject is satisfactory which ignores the long stretch of time from about the beginning of the Christian era to the fifteenth century. It is likely that, as a result of their experiences during these centuries, Chinese Governments formulated a practical policy towards the south. In historical perspective the period from the decline of the Ming dynasty to the end of the nineteenth century would have been for the Chinese a time of unhappy reflection and comment on what they regarded as a deteriorating situation in maritime South East Asia. Writers such as Hsü Chi-yü were aware not only of the humiliations of the nineteenth century but also of the golden age of Chinese influence in maritime South East Asia, culminating in Chêng Ho's famous voyages in the first half of the fifteenth century.

But, in the writer's opinion, it is difficult to analyse Chinese attitudes towards the *Nan-yang* without also taking into account their attitudes towards other parts of Asia accessible by sea and especially their objectives in Asia when they sought to develop their maritime communications. Analogies are often misleading, but it may be fair to adapt a recent statement by Dr J. H. Parry as a description of the Chinese experience during the early centuries of the Christian era. According to Dr Parry, Europeans

[2] E. Gaspardone, 'Annamites et Thai au XVe siècle', in *Journal Asiatique*, Vol. 231, 1939, pp. 405–36.

[3] Wang Gungwu, 'The Chinese in search of a base in the Nanyang', in *Journal of the South Seas Society*, Vol. 14, Nos. 1–2, 1958, p. 88.

between the middle of the fifteenth and the later part of the seventeenth centuries 'learned to think of the world as a whole and of all seas as one'.[4] The Chinese long ago came to a similar conclusion, and one consequence was that they began to realize that maritime South East Asia played a strategically important role in promoting their interests much farther afield. Their awareness of this role was probably the chief political factor in moulding the historical relationship between China and the *Nan-yang*.

Before the T'ang period (618–906) certain prejudices had taken shape in their mind which were never discarded. In the first place, they realized that the Indian Ocean and the 'southern ocean' of South East Asia formed a single stretch of water, united by a single system of communications. They did not hear of the Indian Ocean long after they knew of the *Nan-yang*. They began to learn something of the 'southern ocean' as a result of their conquests in Tongking towards the end of the third century B.C., and it was no more than a century later that they heard of the western Indian Ocean as a result of their penetration of central Asia. It was during the reign of the Han emperor Wu Ti (141–87 B.C.) that a mission was sent by means of 'barbarian' ships through South East Asia to India, and the information available to the Chinese in the following few centuries convinced them that this vast ocean, stretching from southern China to the Mediterranean world, possessed a series of maritime exchanges across it which gave it a genuine unity.

Secondly, the Chinese never freed themselves from their first impression that, of all the many countries on the shores of this single ocean, those in the Indian Ocean were, in terms of cultural development, trading goods, and access to the relatively civilized parts of the known world, immeasurably more important than those of the *Nan-yang*. Buddhism came from India, and farther west lay the wonderland of the 'western regions'. The nomenclature of the most desirable portion of the Chinese foreign trade reflected in particular the reputation of western Asia as the source of wealth. In Later Han times *Ta-ch'in*, the 'Roman Orient', produced 'the rare and precious things'; later this trade was known as the 'Persian' trade and finally as the 'Arab' trade. Beginning as a trade in exotic goods, by Sung times (960–1279) it had become very valuable. The importance of the maritime countries of South East Asia, on the other hand, lay primarily in the geographical circumstance that they lay astride the shipping routes to and from the countries on the shores of the Indian Ocean. In themselves the countries of the *Nan-yang* were regarded as being relatively backward and weak, a judgment conveyed, for example, in the *Hsin T'ang shu* (the *New T'ang History*): 'The various *Man* barbarians on the shores of the sea have no broad lands or strong cities

[4] *The Age of Reconnaissance: Discovery, Exploration and Settlement, 1450 to 1650*, London, Weidenfeld & Nicholson, 1963, p. 1.

which they can defend.'[5] It is true that from T'ang times onwards these countries were known to be wealthy, but their wealth was the gift of nature rather than the handicraft of men; the factories were in India and the Middle East. Never did the *Nan-yang* countries acquire the prestige of those in the Indian Ocean.

In the third place, however, these weak peoples of maritime South East Asia constituted a threat to China in a special way. Their 'primitive' polities were regarded as inherently unstable. Thus, the *Sui shu*, the history of the dynasty ruling from 581 to 618, states: 'They have no chiefs.... They love to fight among themselves. Therefore they are weak countries and from time to time acknowledge the supremacy of China.'[6] As a result of their political immaturity they were liable to disrupt China's valuable lines of communication with the west, and the symptoms of political weakness which would have disturbed Chinese Governments were piracy on the high seas and rivalries among the maritime kingdoms, situations provoking general unrest and causing embarrassment to merchant ships. Because the narrow waters of western Indonesia and the Straits of Malacca represented for the Chinese the important part of the *Nan-yang* in terms of the movement of international trade, we may get closest to the instinctive response of the Chinese to the south by studying Sino-Indonesian, and especially Sino-Malay, relations.

Although documentary evidence is scanty, there are hints that Chinese Governments from about A.D. 400 to 1450 formulated, under cover of the conventional tributary system, a practical relationship first with rulers in western Indonesia and later with those on the Malay peninsula with the purpose of keeping open the shipping routes between China and the whole of the Asian maritime world.[7] As part of the background it has to be borne in mind that it was not until Sung times that the Chinese developed naval power; thus, in the earlier and formative period of the relationship, they had to rely on methods of indirect control over this region.

It would not be surprising, therefore, if the emperors came to realize the value to them of a strong maritime kingdom not too far from the Straits of Malacca, whose rulers could absorb in their fleets the Malay pirate potential[8] and maintain well-stocked entrepôts and good harbour

[5] *Hsin T'ang shu*, 222 C, p. 4162 (*Êrh shih wu shih*, K'ai ming edition).

[6] *Sui shu*, 82, 1a (Po-na edition).

[7] It is the writer's view that, chiefly because of the growth of markets in southern China, the sea route from western Asia to China was becoming important from about A.D. 400. By then the Malays of western Indonesia were probably providing most of the shipping facilities, at least between Indonesia and China. The fifth century coincides with the first Chinese accounts of western Indonesian kingdoms.

[8] Tomé Pires describes how the *Cellates*, 'the Malay for sea robbers', flocked to Malacca in the fifteenth century and were brought from their island bases to serve in the Sultans' fleets; see *Suma Oriental* (Hakluyt Society, 1944), Vol. 2, pp. 235 and 264. Pires states that *Cellates* followed the founder of Malacca from

facilities, and whose general stability ensured it a dominating position in the network of Asian maritime communications converging on China.[9] A kingdom with these pretensions flourished in south-eastern Sumatra from the seventh to the thirteenth centuries, and since 1918 its name has been revealed as Śrīvijaya.[10] By the thirteenth century, however, it is probable that the rulers of Śrīvijaya could no longer contain the enormous expansion in foreign shipping, including Chinese shipping; her vassal harbour princes were able to defy their overlord and cultivate their own trading relations with foreigners,[11] and when Marco Polo sailed through South East Asia at the end of the thirteenth century his companions from China had no occasion to visit the ports of southern Sumatra, the base of the former empire of Śrīvijaya. But the temporary absence of a maritime overlord was then making itself felt in piracy, which endangered Chinese ships returning from the Indian Ocean. Peace on the seas was restored only with the rise of the Malacca Sultanate in the early fifteenth century, when her navy controlled the waters of western Indonesia.

The relationship between the emperors and the rulers of Śrīvijaya and later of Malacca was, concealed in the formal emperor–vassal system, probably that of patron and client. The emperors would have regarded the Malay rulers as their agents, who undertook on their behalf the task of maintaining conditions for successful trade. To these rulers the emperors would have extended favours, which would have impressed traders and encouraged them to sail to China from the clients' ports. One naturally inquires to what extent imperial prestige would have been sufficient to help the clients hold their own against their enemies. The Chinese certainly believed that the civilization of the Middle Kingdom was a weighty political factor, and it is unlikely that this was merely a matter of cultural conceit. The rulers of Śrīvijaya and Malacca were undoubtedly 'loyal vassals' when they were in trouble with their enemies; their envoys then came persistently to China, and one imagines that marks of imperial favour were flaunted for all to see. There is clear evidence of the help Malacca sought from the Ming emperors against her enemies. For Śrīvijaya, an inadequately documented kingdom, the evidence is not so speci-

Palembang, where, in Śrīvijaya's day, they would certainly have supplied the naval manpower.

[9] The Chinese assessment of the situation would have been similar to that of Sir Stamford Raffles, who wrote: 'Nothing can tend so effectually to the suppression of piracy, the encouragement and extension of lawful commerce, and to the civilization of the inhabitants of the Eastern islands, as affording a steady support to the established native sovereigns, as assisting them in the maintenance of their just rights and authority over their several chiefs. . .', John Bastin, *Essays on Indonesian and Malayan History*, Eastern Universities Press, 1961, p. 120.

[10] G. Coedès, 'Le royaume de Çrīvijaya', in *Bulletin de l'Ecole Française d'Extrême-Orient*, Vol. 18, part 6, 1918, pp. 1–36.

[11] By 1178 ships from Canton were wintering in Lamuri in northern Sumatra. Haru, on the north-eastern coast of Sumatra, had by 1225 recovered its independence from Śrīvijaya, and many ships were anchoring there.

fic, but it is significant that, in spite of the attacks by Javanese and Tamils in the 992–1025 period, the Chinese continued to show goodwill to this still powerful trading kingdom. Śrīvijayan missions were never so numerous as during and after this troubled period, suggesting that the client had special reasons for wishing to retain the patron's interest, while the emperors seem to have gone out of their way in evincing friendliness towards the client's envoys at the imperial court. Moreover, for an understanding of the motives of the Malay rulers it should be borne in mind that their access to the Chinese ports and the enormous shipping and entrepôt profits from the Asian trade, shared out among the chiefs composing the aristocracy of Śrīvijaya and Malacca, were in themselves powerful inducements for making the dominant maritime kingdom ruthless in protecting its trading monopoly. At the beginning of her career in the seventh century Śrīvijaya annexed rival trading harbours on the Straits of Malacca, while late accounts of this kingdom testify to the rulers' determination to compel traders to use her ports.

There was a further factor which supported the illusion of Chinese influence. For reasons which are still not clear, the accession of a new and powerful Chinese dynasty always seemed to coincide with a period of temporary political upheaval in maritime South East Asia, when the overlord was either under attack or had disappeared.[12] In the event, the established overlord held his own or was succeeded by a new one, and this meant that peace in the southern ocean was restored at a time when there was a new Chinese dynasty, deliberately recovering the traditional frontiers of China and, by means of special envoys, announcing its accession overseas in order to revive China's foreign trade.[13] Thus, it would not have been difficult for the Chinese to persuade themselves that the maritime rulers of South East Asia were responsive to imperial initiative in taking action to restore stability in the south.[14]

[12] The early T'ang period saw Śrīvijaya emerge as the mistress of the Straits of Malacca (see this writer's 'Śrīvijayan expansion in the seventh century', in *Artibus Asiae*, Vol. 24, Nos. 3–4, 1961, pp. 417–24). The early Sung period saw the survival of Śrīvijaya in spite of Javanese and Tamil retaliation. The Mongol period coincided with a time when there was no naval overlord in western Indonesia, unless the Javanese kingdom of Majapahit can be regarded as such. The early Ming period coincided with the rise of Malacca.

[13] The Sui, Sung, Mongol, and Ming dynasties sent envoys overseas soon after they were established, and there are two references to T'ang envoys in South East Asia during the seventh century. The stated purpose of the Sui envoy, Ch'ang Chün (607–10), is particularly significant; it was 'to open up communications'.

[14] These prejudices would have been reinforced by the ancient Chinese belief that foreign relations were only a subsidiary function of domestic administration; war or peace abroad depended on conditions within China herself (see Ssŭ-yu Teng and John K. Fairbank, *China's Response to the West*, Cambridge, Mass., Harvard University Press, 1961 edn, p. 125). Part of the Chinese experience in the formative period of Sino-Malay relations before A.D. 600 was a tendency among South East Asian rulers to appeal to China for help against enemies. Help was not given, because the southern dynasties of China were too weak, but no doubt the records of these appeals, preserved in the imperial histories, helped to create the

In other words, it is likely that there was a convergence of interests between the emperors and the maritime rulers. No doubt there was plenty of wishful thinking among the Chinese concerning the extent of their authority overseas, but one should not underestimate the tendency among Indonesian naval princes to cultivate the emperors in order to persuade them that their kingdoms were the *foci* of Asian maritime trade and dependable suppliers for the Chinese market. It need not be surprising if the dogma grew in China that the emperors had a special role in maintaining peace in the *Nan-yang*, a role which could be effectively discharged by means of political manipulation.

The appearance of Chêng Ho's fleets in Asian waters during the first half of the fifteenth century was, in Chinese eyes, the culmination of the policy of imperial pacification. The Sultans of Malacca were now the clients, and they could rely on more than the distant prestige of the patrons. Chêng Ho was responsible for the engraving of an inscription as an act of thanksgiving for protection in a storm, and, in spite of its old-fashioned expressions, a passage in the inscription may take us some way in understanding the essentials in the relationship between maritime South East Asia and China as it was understood by the Chinese:

> . . . On arriving in the outlying countries, those among the barbarian kings who were obstructing the 'transforming influence' [of Chinese culture] and were disrespectful we captured alive, and brigands who gave themselves over to violence and plunder we exterminated. Consequently, the searoute was purified and tranquillized and the natives, owing to this, were enabled quietly to pursue their avocations. . .[15]

Arrival of the Europeans

For the Chinese the Portuguese capture of Malacca in 1511 was the first event in a long process of political deterioration in the *Nan-yang*,[16] and by the nineteenth century Chinese writers were well aware that the geopolitical situation in Asian waters had become unfavourable. Trading centres in maritime South East Asia still linked China with the Indian Ocean, but the Europeans, and especially the British, had gained control of the Indian Ocean and, under pretext of trading, were now dominating the *Nan-yang*. The Indian Ocean and the seas of South East Asia, always known by the Chinese to be served by a single system of communications,

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dogma of the salutary influence of China on the political life of the region.

[15] J. J. L. Duyvendak, 'The true dates of the Chinese maritime expeditions in the early fifteenth century', in *T'oung Pao*, Vol. 34, 1938, pp. 345–6. Among the events of this period, attributable to the Ming fleets, were the protection of Malacca from the Thai, the expulsion of Chinese pirates from Palembang, and the restoration of the ruler of Pasai, in northern Sumatra, to his throne.

[16] The Chinese Government quickly realized the disturbance in trading conditions, affecting even the security of the Chinese coast, created by the arrival of the Portuguese. In comparison with the Sultans of Malacca the Portuguese were fierce pirates, unworthy of immediate investiture as vassals.

now provided bases from which Europeans were able to demand more and more privileges at the expense of China. In these circumstances it was natural for writers to recall that the Malay kingdoms had always been weak. According to the author of the *Hai lu*, Palembang (a former capital of Śrīvijaya), a pirate centre, did not respect China but instead feared the Dutch and the English, whose extortionate demands the Malays dared not refuse.[17] Wei Yüan noted that there were many islands in the *Nan-yang*, all ready to submit to the strongest island, and he implied that this situation was the explanation of the ever-changing nomenclature of the most powerful kingdom in the region as recorded in the imperial histories.[18] Now the Dutch were the overlords. The persistent political weakness of the Malay kingdoms had long been known, but in the nineteenth century the consequences were serious. Hsü Chi-yü wrote in 1848: 'In former times the *Nan-yang* was the den of the southern barbarians. Today it is a lodging house for the Europeans. How can we regard this as only a recent situation? In fact, the Europeans have been building up their power there for more than 300 years.'[19]

Nevertheless, by the end of the nineteenth century it was also becoming clear that there was at least one living token of China's former influence in maritime South East Asia, a token offering promise of the future revival of that influence. Chinese writers were now becoming aware of the achievements of the overseas Chinese, a reflection which stirred Liang Ch'i-ch'ao to think of the contribution of the heroic Chêng Ho who did most to lay the foundation for the power of the overseas Chinese in South East Asia.[20] At the end of the nineteenth century 'colonies' were being regarded as the mark of a successful Great Power, and Liang was convinced that the Chinese, because of their ancient culture and remarkable powers of endurance, were destined to become a Great Power in the twentieth century.[21] In the meantime he could admire the overseas Chinese, because of whom the economy of South East Asia was largely under Chinese control, and he no doubt believed that they were in the vanguard of the forces which would one day re-establish the *Nan-yang* as China's chief sphere of influence.[22] He was writing at a time when the Darwinian concept of 'the survival of the fittest' was being construed to prove the eventual victory of 'the yellow race'. These sophisticated and not pro-

[17] *Hai lu chu*, p. 42 (Fêng Ch'êng-chün's edition, 1955).

[18] *Hai kuo t'u chih* (1842), 9, 13a–14a (1844 edition).

[19] *Ying huan chih lüeh*, 2, 33a (title-page dated 1848). See Teng and Fairbank, *op. cit.*, p. 41, for information about Hsü Chi-yü. The mid-nineteenth-century view in China seems to have been that the mainland kingdoms of South East Asia were stronger than any ever known in the archipelago.

[20] 'Chêng Ho chuan', *Yin ping shih wên chi*, 41, 43a.

[21] 'Lun Chung kuo jên chung chih chiang lai', *ibid.*, 16, 9a.

[22] 'Chêng Ho chuan', 42b. Liang noted with admiration that the overseas Chinese were never assimilated; 'Lun Chung kuo jên chung . . .', 10b. To the end of his life Liang held chauvinistic views concerning the overseas Chinese; see Teng and Fairbank, *op. cit.*, p. 269.

nouncedly pro-Asian sentiments would have strengthened the traditio Chinese contempt for the peoples of South East Asia.[23] The intellect climate in China at the beginning of the twentieth century was har congenial for the sponsoring of an Asian liberation movement in the w of revolutionary successes in China.

Policy of the Kuomintang

In their racial arrogance, their concern for the prestige of China am the Asian countries, and their manipulation of the overseas Chinese, leaders of the Kuomintang revealed themselves, within the narrow lin of activity available to them, as the heirs of the emperors. The great concentration of overseas Chinese was in maritime South East Asia, now the whole of the region attracted the interest of the Kuominta Both Sun Yat-sen and Chiang Kai-shek understood China's traditio role to have been one of maintaining stability there. Chiang's view was t 'in the conflicts among her neighbours China always adhered to the pr ciple of "re-establishing interrupted dynasties and reviving dismembe states", and never adopted the policy of taking advantage of the precari position of other countries to seize their territory.'[24] A Taiwan writer recently written in similar terms on the policy of the Ming emperors, a he regrets that China subsequently surrendered her responsibilities in region to the Europeans.[25]

From 1942 and especially from 1945, when Chinese leaders could be to think more hopefully of the post-war situation, there were glimpses China's pretensions. Kuomintang publicists made it clear that she wo need an honourable status among the nations and would not be with her 'vanities'. One means of enhancing her dignity in the eyes of smaller Asian nations would be by giving her a share in guaranteeing t independence of Indochina and Burma.[26] The impending recovery independence by the South East Asian countries was probably regard partly at least, as the end of a disgraceful interlude in Sino-South E Asian relations, when China had been unable to fulfil her historic fun tion of protecting a politically weak region within her sphere of infl

[23] Liang regarded the black and brown peoples as lazy and stupid; 'Lun Chu kuo jên chung . . .', 12a. In K'ang Yu-wei's *Ta t'ung* the peoples of India a South East Asia were thought to have no future as long as they remained in th present environment; see Laurence S. Thompson, *Ta T'ung shu . . .*, Lond Allen & Unwin, 1958, pp. 142–6.

[24] *China's Destiny* . . . (notes and commentary by Philip Jaffe), New York, R Publishers, 1947, p. 36. The expression 'precarious', reflecting the Chinese ser of the political weakness of the region, is reminiscent of the passages from t *Sui shu* and the *Hsin T'ang shu*, translated above, and also of nineteenth-centu opinions about maritime South East Asia. Sun Yat-sen's interpretation of histo is in *San min chu i* (Price's translation), Shanghai, 1927, pp. 146–7.

[25] Hsü Yü-hu, *Chêng Ho p'ing chuan*, Taipeh, 1958, p. 119.

[26] T. S. Chien, 'New China's demands', in *Foreign Affairs*, Vol. 21, No. 1943, p. 696.

ence.[27] In 1947 Indian observers at the Asian Relations Conference i New Delhi observed with distress that the Chinese there seemed con cerned to counter Indian influence in Asian affairs.

The Peking Government

From the second half of the fifteenth century up to 1949 the interna situation in China was such that her links with Asian maritime countrie had, with the exception of the overseas Chinese, gradually disappeared With the establishment of the communist regime, however, there ha been a dramatically extended range of Chinese overseas contacts, and on may inquire whether there is anything in the communist approach to th south which suggests that, perhaps unconsciously, ancient habits of min have not been entirely discarded during the initial and probing period o Chinese expansion. Does the present contribution of South East Asia i the promotion of Chinese international relations resemble in any way th contribution which maritime South East Asia was once believed to make

There have, of course, been breaks with the past. In particular, ther has been a break with that part of the past which the Kuomintang sough to emphasize, for the Peking regime advises the overseas Chinese to b obedient to their local Governments, provided the latter have recognize the Peking Government. The antiquity of the overseas Chinese presenc in South East Asia is not suppressed; their history 'dates back over 1,00 years'.[28] They are, however, represented as having contributed to th development of the South East Asian economy as well as having partici pated in the Indonesian independence movement.[29] Yet it is likely tha the overseas Chinese are often an embarrassment to Peking; they are, a it is said, 'a problem left over by history', a problem which the Kuomin tang did much to exacerbate.

There are also features of the historical record which are suppresse by the communists. 'Tribute' is not mentioned, and the same term is use for the exchange of envoys in imperial times as for present-day exchanges It is stressed that the South East Asian countries were independent be fore the Europeans came. Their communications with China were merel trading ones, from which they and the Chinese equally benefited. Histor is the record of 'friendship' and 'peace'.

[27] Su-ching Chen, in *China and Southeastern Asia*, Chungking, China Institut of Pacific Relations, 1945, p. 21, wrote: 'China came into contact with the Wester people first through her own people in Southeastern Asia and it was there th conflict began between the Chinese and Westerners.'

[28] Professor Chu Hsieh notes that the overseas Chinese preceded Chêng H whose exploits greatly stimulated their migration (*Chêng Ho*, Peking, Hsin chi san lien shu tien, 1956, p. 111). Sun Yat-sen had taken the view that Chêng Ho deeds caused 'the barbarian tribes' to admire the Chinese to the present tim (*Memoirs of a Chinese Revolutionary*, London, 1927, p. 79).

[29] Chu Hsieh, *Chung kuo ho Yin-tu-ni-hsi-ya jên min ti yu i kuan hsi*. . ., Pekin Chung kuo piao nien ch'u pan shê, 1956, pp. 18–21.

An honoured place remains, however, for Chêng Ho. Liang Ch'i-ch'ao had conceived an admiration for the great navigator, and, consistently with the view proposed earlier in this article that the Chinese always looked far beyond South East Asia when they thought about their maritime communications, Liang considered that the motive of Chêng Ho's voyages was to get in touch with western Europe and not with the *Nanyang*.[30] A communist historian has honoured the admiral for similar reasons; Chêng Ho's great work was in opening up the sea route for Chinese shipping as far as the Red Sea and east Africa, making possible economic and cultural exchange on a greater scale than ever before,[31] and Peking's propaganda handling of its present relations with the Somali and Yemeni Republics has provided the opportunity of stressing the point that the Europeans subsequently placed artificial barriers between China and these countries.[32] Thus, Chêng Ho has become the pretext for recalling earlier times when China had Asian-wide contacts by way of the south.

But it is possible that the records of history are available for more than sentimental purposes. It has been suggested in this article that the traditional Chinese view, supported by their experience over many centuries, was that the seas of the Indian Ocean and of South East Asia possessed a genuine unity and a single system of communications, and therefore it is not surprising that Peking spokesmen should be irritated when this geopolitical situation is interpreted in favour of another country. In Peking's reactions to 'Greater India' conceptions we may be getting closer to a field where there is some continuity between past and present Chinese attitudes towards South East Asia. A year ago the Peking press unearthed the following passage in Mr Nehru's *The Discovery of India*:[33]

> . . . India will also develop as the centre of economic and political activity in the Indian Ocean area, in Southeast Asia and right up to the Middle East. Her position gives an economic and strategic importance in a part of the world which is going to develop rapidly in the future. . . The small national state is doomed. It may survive as a culturally autonomous area but not as an independent political unit.

These sentiments, owing much to evidence of earlier Indian cultural influences in South East Asia, have not been uncommon in India since the war, and the rendering of maritime Asian history and prospects which is

[30] 'Chêng Ho chuan', *op. cit.*, 43b.
[31] Chu Hsieh, *Chêng Ho, op. cit.*, pp. 104–11.
[32] Professor Hsia Nai has written an article on seventeen centuries of Sino-African relations, published in *Renmin Ribao* (*People's Daily*) and summarized in the *Survey of the China Mainland Press*, No. 2824, 24 September 1962 (U.S. Consulate-General, Hong Kong).
[33] Quoted in *Peking Review*, 2 November 1962 (a translation of *Renmin Ribao*, 27 October 1962). Mr Nehru's book first appeared in 1946; it was written in jail, where the author met imprisoned scholars who apparently introduced him to the 'Greater India' school of history.

implied is naturally repugnant to Peking.[24] Peking's comment on this passage in *The Discovery of India* was that Indian reactionaries had taken over the British imperialist concept of India as 'the centre of Asia' and that Mr Nehru was aiming at a great empire from the Middle East to South East Asia, in which there would be no small nations but only Mr Nehru's vassals. Peking's counter-attack, which was part of the propaganda campaign against India in 1962, may, however, rest on something more than the rejection of India's claim to lead uncommitted Asia. In historical terms, India's claim may also be seen as another threatened usurpation of influence in the area of the single ocean which, according to Chinese tradition, has always known only two dominant Powers, first the Chinese and then the intruding European imperialists.[25]

There may be a further carry-over from history, providing an instinctive element in Chinese communist tactics. In former times the 'patron–client' relationship, a technique devised for promoting the indirect authority of the emperors, was cultivated in maritime South East Asia to safeguard Chinese interests lying far beyond that region, when the client guaranteed the passage of trading ships to and from the Indian Ocean. The purpose of Chinese policy was then, so the Chinese probably believed, to manipulate the political situation in the *Nan-yang* by lending moral support to the strongest Indonesian naval power in order to achieve stability in a notoriously restless region. Today the single ocean of Chinese tradition is encompassed by the Afro-Asian world where, as far as the Chinese are concerned, it is the passage of ideas that is important. In this world the South East Asian countries may continue to make a helpful contribution, from the Chinese point of view, in the form of protecting Chinese international relations, and it is probable that the Afro-Asian contacts of such countries as Indonesia are being deliberately encouraged and manipulated to carry a favourable image of communist China at least as far as Africa. One of the themes stressed during Liu Shao-chi's visit to South East Asia earlier this year was the importance of Sino-South East Asian relations as an outstanding example to Afro-Asian countries of the policy of coexistence. On the occasion of the visit of Prince Sihanouk of Cambodia to Peking in February this year Liu Shao-chi said that 'it should be noted that the significance of the close friendship between China and Cambodia goes far beyond the borders of

[24] And also to Taiwan Chinese. See *Nehru's Illusions*, Taipeh, Asian Peoples' Anti-Communist League, 1955, pp. 10 ff.

[25] Mr K. M. Panikkar has provided a 'historical' background to Indian naval power in South East Asia. According to him Śrīvijaya was 'a great Indian naval power. . . Only Śrīvijaya prevented the Chinese from establishing authority in the Indonesian Archipelago'; see *India and the Indian Ocean* . . ., London, Allen & Unwin, 1945, p. 84. Mr Girilal Jain has recently observed that Chêng Ho's voyages marked the end of Hindu power, which had dominated the Malayan archipelago for nearly 1,000 years; see *Panchsheela and After*, London, Asia Publishing House, 1961, p. 147.

the two countries. It will have a positive and far-reaching influence throughout the world.'[36] Chinese spokesmen have expressed the hope that India would be influenced by the countries which met at Colombo in December 1962 to discuss the Sino-Indian border dispute, and it may be significant that the Chinese, anxious to begin direct negotiations with the Indians, have succeeded in persuading the three South East Asian Governments represented at the Colombo conference to issue statements to the effect that the Colombo proposals were a basis for Sino-Indian negotiations. The Indian Government, on the other hand, has insisted that these proposals were intended to contain specific conditions which had to be fulfilled before negotiations could begin.[37]

There could, in fact, be few more eloquent spokesmen for China's good intentions than her closest neighbours, whose apprehensions have been well known, and it would not be surprising if the Peking Government should do everything possible to enlist their support on current issues.[38] On the other hand, a clumsy and aggressive handling of the South East Asian countries would certainly do much to discredit the Peking Government among the 'emerging nations'.

In this way one begins to see a historical background to the Chinese version of 'neutralism' in South East Asia. Chinese propagandists frequently defend South East Asian neutralism as a means of 'stabilizing' peace in South East Asia and of 'strengthening Afro-Asian solidarity'. It need not be argued that these conceptions reflect deeply rooted Chinese folk-memories, but it may be that, reduced to their geopolitical essentials, they would be comprehensible to earlier generations of Chinese. The expression 'stabilizing peace' takes us back to the problems of the pre-European period in maritime South East Asia, when 'stability' in the *Nan-yang* was sought as the precondition of fruitful Chinese links with western Asia. Nor would the geographical dimensions of the notion of 'Afro-Asian solidarity' have taxed the Chinese imagination when, many centuries ago, they were already looking hopefully beyond the shores of the South China Sea.

[36] *Peking Review*, 22 February 1963. On 19 October the *Renmin Ribao* quoted a speech by Prince Sihanouk to prove that, in spite of the slanders of the imperialists, the Chinese were regarded by the peoples of all countries as trustworthy friends.

[37] The statements were included in the joint communiqués issued when Liu Shao-chi visited Burma, Cambodia, and Indonesia. *The Hindu* (23 April 1963) regretted that President Soekarno had allowed himself to be 'manœuvred' by the Chinese into signing a statement that ignored the Colombo proposals.

[38] The Cambodian Government has recently sponsored the transfer to the Peking Government of China's seat at the United Nations.